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ADVANCED MANAGEMENT

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AUGUST 1954 VOLUME XIX NO. 8

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R. Conrad Cooper

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Monroe Berkowitz

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John B. Joynt

The Annual Report—1953-54

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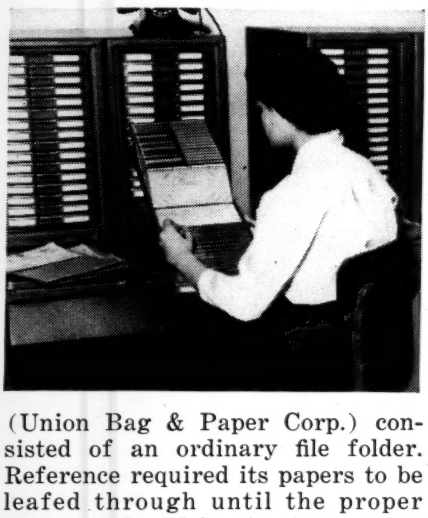

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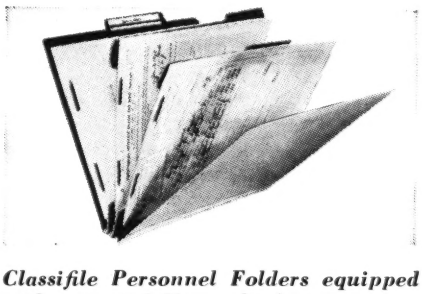

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ADVANCED MANAGEMENT

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The Arbitrator In Management-Labor Relations

by Monroe Berkowitz,
Department of Economics
Rutgers University

One of the great and growing management-labor relations problems is the difficulty both sides find in securing a competent unbiased arbitrator. No one questions the value of a good one. But what makes an arbitrator good? Just what should, and can he do? Here is the story of an arbitrator, and the full picture as he sees it from his own experience

COMPLAINTS of unions and managements about the difficulty of securing the services of a competent unbiased arbitrator who can understand their case and render a just decision are loud, frequent, and probably well-justified. It's not that there aren't enough arbitrators but perhaps that there are too many. The cult of labor arbitrators has grown enormously in the last few years.

The rise in number of these quasi-judges of labor disputes may be analyzed in terms of supply and demand. The proliferation of collective bargaining units, the growing complexity of agreements as new and difficult areas are covered, the growing realization that some way must be found to resolve disputes over the interpretations of these provisions have all contributed to the demand for arbitrators. Arbitration as a method of solving disputes over the terms of the agreement has received the blessings of government agencies as well as of leaders of both labor and management. The Bureau of Labor Statistics estimates that close to 90 per cent of labor agreements provide for arbitration as the terminal step of the grievance procedure.

In true classical tradition the response to the increased demand has been an increase in supply from many sources. Many government bureaucrats emerged from their wartime agency experience as "experts" in labor relations eminently qualified to settle the other fellow's problems. As these people drifted back to their law practices or academic jobs they were not averse to supplementing their income and experience by trying their hand at labor arbitration. Their ranks were augmented by men of good will in the community who were unembarrassed by any actual experience in the field.

In light of these facts it is not surprising to hear complaints from the parties about the actions of particular men called in to decide the appropriateness of an individual discharge or, worse yet, the correct rate for an occupational classification. But arbitrators faced with these problems have their difficulties, too, and many of these flow from the actions of the parties themselves. These are discussed, not to excuse the inept arbitrator, but merely to inquire whether even the most astute third party is always getting the data and cooperation necessary to make an equitable decision.

First there is the case of the union or employer representative who comes to a hearing determined to impress the arbitrator with how well he gets along with the other side. This affability is carried to such an extent that he is quite willing to stipulate all kinds of facts or worse, yet just leave them to the good judgment of the arbitrator.

A recent example involved a discharged employee. No horrendous techniques of examination were used by the union in presenting the case; the man was merely instructed to tell the arbitrator his story. In the course of his testimony the aggrieved maintained that he visited the doctor three times within one week after his discharge for treatment of an injury which he claimed he sustained on the job. As the story unfolded the timing of the visits to the doctor assumed some significance in the arbitrator's mind. His curiosity was further piqued when in the course of his speech the man changed the dates of the visits to the physician. The company representative with a forgiving air did not press the matter. Finally the arbitrator, departing from his judicial attitude, asked the discharged person exactly when he did go to visit the doctor.

After some questioning the dates of the visit were established within certain rough limits. This point, which was important to the arbitrator, was made without any assistance from the company who had a stake in the matter if they were serious in pursuing the case.

Using Arbitration As A Face Saving Device

This points up one limitation to an arbitrator "making the case" for one side or the other. He can never be sure that the reluctant party is seriously interested in winning. Perhaps the union is merely saving face and using arbitration as a convenient way of getting off the spot. The company likewise might be indulging in this kind of behavior, since the internal organization of companies may also partake of the nature of political organizations where "face-saving" is a convenient and necessary device. Although at times this type of tactic is fairly easy to detect, at other times one cannot easily distinguish between inexperience and downright unwillingness to make a case.

Some would conclude that because of this the arbitrator should never ask questions or open lines of inquiry which the parties have not explored. But surely this is a mistake. The arbitrator must be free to ask some questions and to pursue matters that are unclear to him. The flexible nature of arbitration is its strong selling point. The arbitrator cannot stand mute and not even make an attempt to resolve disputed points, but he must be cautious about how far he goes.

It is for this reason that one suspects that the argument about whether the arbitrator is a "friend of the parties" or a "judge" is a sterile one. The arbitrator cannot plunge in as advocate but surely he must be permitted a good bit more leeway than is accorded judges under our judicial system. Once it looks as if one side or the other is not pursuing the points he raises, the issue had best be dropped. But the opportunity must be given to each party to present data that the arbitrator feels is relevant. If they do not follow his suggestions, then he must give up the task.

Another problem is the party who presents a technical and complicated case in the most cavalier manner. A recent example was the case of a union who wanted to make all the mechanics in a particular department "A" men. At the time of the hearing they were classified as "A", "B" and "C" men. After hearing the nature of the issue, the arbitrator settled back, expecting to listen to the lengthy line of proof necessary in such a case. It has been said that there exists an almost classical method of proving such a classification case. First it becomes necessary for the union to promulgate some concept of "A" work. Then it must introduce work records or testimony or some evidence to indicate that the workers in the plan actually do "A" work as the union conceives it. If the union's concept is challenged it is expected that the union will resort to authority or to some experience to buttress their position. Disputes along these lines are always interesting and the arbitrator rather eagerly looked forward to the argument. However, within a few minutes, the union representative introduced a witness, asked him a few questions, dismissed him and rested the case. The initial reaction of surprise was followed by the thought that the union is indulging in some subtle strategy. It had presented a formal case and was going to develop the significant points after the company presented its side of the story. But after the company was finished with its lengthy and involved testimony the union contented itself with a few questions and then dropped the matter.

One Arbitrator's Insoluable Situation

Its contentions were many but its only proof consisted of the testimony of one employee himself employed as a mechanic in the "C" classification. He had testified that he did everything that the "A" and the "B" mechanics did and that therefore he should be paid the rate for the "A" classification. Further he testified that what was true in his case was true in all the other cases. All persons in this classification did the same work which the foreman assigned to the men without regard to their alphabet classification. Granting the sincerity and the essential honesty of this witness the objective circumstances of the case indicated that he could not possibly know what everyone in the classification did. These men were stationed in various parts of the plant and came into only occasional contact with each other. Besides it was very doubtful if the man was competent to testify about the nature of the work performed by the others. In short his testimony consisted almost wholly of conclusions rather than any solid facts.

What is an arbitrator supposed to do in such a situation? One avenue of approach is to award the case to the company on the grounds that the union, the challenging party, did not make the case. The other is to inform the union in as diplomatic a manner as possible that certain other information was desirable and would aid the arbitrator in making his determination. But again one is involved here in deciding whether the party is serious in its contention and, if so, how far an impartial third party should go in carving out paths of inquiry for one of the disputants.

Meager Investigation Into Cases Before Trial

A less serious complaint relates to the cases which should never have been allowed to come to arbitration in the first place. The reference here is not to the cases where one side or the other needs a decision for political purposes but cases which certainly would have been dropped if anything more than a casual examination of the facts had been made. It is granted that company and union lawyers, industrial relations people and international representatives are busy people with a minimum of time to investigate and prepare their cases. However, the amount of investigation or lack of it that goes into some cases that find their way to the final step is amazing. During the course of testimony in a recent discharge case, the company superintendent remarked that he would be happy to take the employee back if only he mended his ways and gave some assurance that he would buckle down to work. The union representative took this up immediately. He thought such assurances could be given since the union was mainly interested in the employee starting work again and therefore the back pay issue might be waived. Whereupon, without even taking an adjournment, he turned to the employee and asked him whether he could make a fresh start. The employee, to the obvious surprise of his own representative, said he wasn't a bit interested in going back to work for the company. In fact he refused to go back to work for such an outfit which he freely characterized in less than complimentary terms. The sound of the union representative's papers hitting the desk could still be heard after he with-

drew the union's case and left the room.

This incident may sound incredible but it is merely an extreme example of what occurs all the time. The international representative, who probably got the case a few hours before the hearing, depended upon the local officials for investigating the facts of the case. Apparently nobody really took time and energy to interview thoroughly the aggrieved to find out his latest attitude on the matter.

Unions have no monopoly on this phenomena. Company representatives at times attempt to substitute their skill and knowledge of arbitration procedures for the thorough and often time-consuming investigation of the details. One such representative built his case on the location of a particular time clock and the distance from this time clock to the lockers only to find that unfortunately the clock just wasn't where he thought it was.

A cynic might point to the fact that since lawyers are often paid by the case they have no real interest in withdrawing cases before the hearing. This is not only cynical but also a shortsighted point of view. Most lawyers are conscious of their box score of cases won and lost and like to keep the percentages in their favor. Also staff people of both companies and unions are not paid on an *ad hoc* basis and certainly they have better things to do with their time than attend arbitration hearings. This must be chalked up not to cupidity but to inertia or perhaps to the overconfidence of people who are quite sure that they have met this same situation countless times before. It is only after the hearing is well underway that it appears that this one is just a little different.

These complaints could be multiplied to include the party who atempts to make his case while writing the submission, or the man who refuses to abandon the cross-examination long after the opposing side has fully conceded his point. Also in this group is the lawyer who recognizes intellectually that formal rules of evidence do not apply in arbitration cases but who just cannot accept it emotionally. He still feels that although it may be so, it somehow just isn't quite decent.

No panaceas exist as solutions to these complaints. The human being is ingenious enough to find ways and means of doing these same things even if devices such as pre-hearing briefs are introduced. But the arbitration process has so much to commend it that all parties ought to be interested in perfecting it. Complaints of the disputants, especially of the losing side, often center on the arbitrator. "We had a good case but we picked the wrong man" is an often-heard refrain. Unions complain of arbitrators who are "company-minded," while on the other hand, as one industrial relations man expressed it, "We always assume in going into a case that the arbitrator will be emotionally on the side of the union." On occasion both type of complaints may be amply justified but perhaps the difficulty in some cases is with the parties themselves. The overly-affable disputant, the party who wants to substitute intuition for data and the unprepared litigant may be doing something more than helping to lose their own case. They may be hurting the arbitral process itself which, despite its nearly universal inclusion in collective bargaining agreements, still has a long way to go before it is firmly accepted by both labor and management. END

SIMPLIFY NEGOTIATIONS

COLLECTIVE AGREEMENTS ON TIME AND MOTION STUDY

by G. Jay Anyon, Ph. D.

An invaluable handbook for labor-relations heads, union officials, legal counsel, production managers, industrial engineers, foremen, and labor-relations scholars interested in the design, interpretation and successful implementation of collective agreements in the field of work measurement.

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Cost Reduction Through Industrial Engineering

by R. Conrad Cooper
Vice-President, Industrial Engineering
United States Steel Corporation

This authoritative article divides management's administrative problems into eight particular areas. Then, for the problems involved in each of these areas, the author tells how industrial engineering was used in his company to solve the important cost reduction element. The examples reveal the cost reduction approach of one of America's largest companies, but the essence of this article applies to every modern business and industry of any size

INDUSTRIAL engineering functions vary from company to company, but in our situation, as is the case in most companies today, the services of industrial engineering bear significantly on matters of cost reduction.

We will not attempt to outline the combination of Industrial Engineering functions that would be best suited to enable cost reduction, because we believe this is largely an individual matter.

Our thought is to describe some of the things we think we have learned about industrial engineering and cost reduction. The manner in which we use such services in our efforts to reduce costs may, or may not, apply to each company's particular set of conditions.

It is the objective of our company "to make and sell quality products competitively, and to perform those functions at the lowest attainable cost consistent with sound management policies, so as to return an adequate profit for services rendered." As a corollary objective, we strive to be the lowest-cost producer of the products we offer for sale.

The need to keep these objectives in mind at all times is clear when we realize that conditions do not remain static, they are dynamic; and certainly operations can be successful only if actions are taken continually to improve the resulting products and services.

The company's requirements for the attainment of its objectives are: (1) adequate manufacturing facilities, (2) necessary supplies of raw materials, (3) qualified managing and technical personnel, (4) competent skilled, semi-skilled, and non-skilled work force, (5) sufficient capital, (6) adequate markets, (7) the public good will, and (8) sound policies of administration under management's exclusive control.

Industrial engineering, a formalized division of our over-all management, is charged with certain responsibilities in connection with these requirements.

Generally speaking, the industrial engineering job in U. S. Steel is to provide a fact-finding service to enable management to produce more product at less cost and larger profit.

Such service involves the formulation of policies and procedures to help answer certain questions, such as:

1. Is the particular operation necessary?
2. If the operation is necessary, how can it be improved?
3. What method of performing the necessary operation will produce the product at least over-all cost?
4. What is the producing capacity of the particular operation?
5. How much material is required to make a given unit of product?
6. How many men on what jobs are required to operate the equipment in accordance with the best methods?
7. How much shall the men be paid and how much work shall they perform to accomplish this method of operation?
8. How much will the operation cost in terms of the required physical amounts of man-hours, materials, and equipment time per unit of product?
9. What are the causes of failure, if any, to produce the product at the indicated attainable minimum cost, and how can such standard low-cost performance be reached?
10. How, when, and where can operations be improved to take advantage of the ever new and changing conditions?

These are familiar questions to all of us. We all recognize that proper answers can be provided only after time and effort have been expended to accumulate

and analyze the facts and develop sound conclusions. We all know these conclusions are essential to cost reduction. Their development is the very core of Industrial Engineering. Thus, Industrial Engineering and cost reduction are inter-dependent.

The over-all responsibility of Industrial Engineering in our case separates into the related but distinct divisions of: (1) Methods Engineering; (2) Wage and Salary Evaluation; (3) Equipment and Labor Measurement Standards and Incentives; and (4) Basic Standards.

In methods improvement work, we are concerned with those questions which relate to operations such as:

1. Is the operation necessary at all?
2. If the operation is necessary, how can it be improved?
3. What method of performing the necessary operation will produce the product at least over-all cost?
4. How, when, and where can operations be improved to take advantage of the ever new and changing conditions?

These questions, of course, all add up to the overall question of how can we make better use of what we now have to do a better job?

Methods improvement is not a one-man, one-department, or one-division task. We believe it is the every day responsibility of every member of the management team.

In 1952 we began to realize substantial results from long endeavors to bring about a systematic and continuing attack on the methods problem.

What Are The Alternate Approaches?

Alternate approaches had been considered. One approach was to lodge the responsibility in trained industrial engineers. Another approach was to lodge such responsibility in the line supervisors and facilitate their endeavors with systematic procedures and competent staff assistance.

The latter approach was selected. It seemed rather obvious to us that this was the right decision, for two primary reasons.

No one is in better position to improve an operation than the man who runs it. There being more than ten supervisors per industrial engineer, more than ten times the brains, ingenuity and effort can be brought to bear on the problem if all members of the management team work at it than can be the case if attempted by industrial engineers alone.

Training, therefore, became the key to this situation. With the able assistance of training specialists and a group of industrial engineers from the plants, a program of supervisory training in methods work was developed.

The proposed program was presented to the General Superintendents of the plants in a major steel producing Division of U. S. Steel. Under their direction some 6000 management people in the plants took a concentrated course on the systematic approach to methods improvement.

Results Of The Endeavor Prove Its Merits

The merits of this endeavor are best measured by the results accomplished. The program has been in effect for approximately two years to date. Upwards of forty thousand methods improvements proposals have been submitted. Of these, some 70% or 28,000 were found to be practical, and cost-reducing proposals. About 15,000 of the proposals have been installed. The annual benefits, over and above the cost of installation, run to many millions of dollars. These benefits do not come from capital expenditure. They come from thousands of actions to do a better job with what we now have.

The figures I state are from one Division alone. The program has been adopted by other Divisions of U. S. Steel and is currently being considered by others. It is known that for the others who have adopted it the benefits likewise are substantial.

Stated in its simplest terms, this systematic approach to methods improvement is to: select the operation to be improved; break down the operation into its component parts; question each step; develop the new method; and install the new method.

These actions are fundamental. They apply as well to one kind of activity as to another. Consequently, we believe they are as good for headquarters operations as for plant operations. Therefore, we engage in a similar kind of activity in some of our headquarters operations. We find that such activities point to the elimination of needless detail, simplification and shortening of the lines of communication, improvement in the effectiveness of performance, and reduction of overhead costs.

The second major area in which our Industrial Engineering is concerned relates to the pay and performance of people.

We believe that one of the most important matters in the employer-employee relationship is the area of developments calculated to insure that each employee shall receive fair pay, and the Company shall receive fair value in services returned by each employee.

Perhaps you have all heard about and dealt with wage and salary rate inequities, perhaps to the end that some of your associates may have come to believe that Industrial Engineering is primarily a wage rate agency only.

Of course, this is not the case. But it seems that first things should come first. We recognize that people are the most important element of our operations. We believe that to have one's wage house in order is the stepping stone to putting or keeping the performance house in order. Therefore, we spend a lot of time on wage and salary evaluation matters.

The Company vs. Union On Fair Pay Question

As to the fair pay side of the equation, the Company and the Union through joint endeavor completed an important wage rate inequity program which began early in 1945 and ran into 1952. This program involved the classification of some 38,000 wage and non-exempt salary jobs. It insures that no employee on a wage or non-exempt salary job in those divisions of United States Steel under the program can receive less than the agreed fair rate of pay for the job performed.

The fair performance side of this equation is a more difficult kind of problem. It involves laborious studies of the jobs to measure the work required per unit of product. It requires careful formulation of these measurements or standards into incentive applications to reward extra effort and induce capacity operation of equipment.

These studies produce interesting disclosures and substantial benefits. In the total of jobs studied to date, it was found that the average employee performance was far below that which is reasonably attainable when no equipment or process restrictions exist. As a practical matter, of course, one cannot expect to eliminate all such restrictions and secure perfect labor utilization. But clearly the margin of difference between

unmeasured operations and the reasonably attainable levels of performance is so great that, by application of a labor measurement and incentive program where none now exists, operating costs can be reduced and employee earnings can be increased substantially.

Where we have taken such action, average employee performances and earnings have increased substantially. Benefits in the form of reduced labor cost are substantial. In addition to lower unit labor costs, other indirect benefits of substance are being realized. Important facilities are showing substantially increased capacities, thus enabling increased production without added capital investment.

Even under the best of circumstances, such actions require skillful handling if they are to be accomplished successfully. But under the present circumstances, they provide a real test of the ingenuity and moral fiber of management.

Understandably, therefore, the methods and labor measurement programs, and the related management activities to improve the efficiency of operations may encounter some difficulty from time to time, but we believe such difficulties are surmountable.

One of the questions with which we are continually concerned is how much will each operation cost in terms of the standard physical amounts of man hours, materials, and equipment time per unit of product.

These physical quantities we term basic standards.

When these standards are established, our Accounting Department costs them out at the proper prices. The resulting figures disclose the attainable costs which are termed standard costs.

Comparing Costs For A Given Operation

Comparisons between actual costs for a given operation and the standard costs disclose the differences and thus measure the excesses.

Compilations of actual vs. standard costs for the total product of a given department disclose the situation for that department, both as to what it was and what it should have been. Similar compilations for whole plants, Divisions, and Companies make similar disclosures and provide invaluable guides to Management for the judgment of performances and determination of corrective action where needed.

Sound determinations can be made to disclose:

1. The difference between actual costs and standard costs on all existing facilities, thus identifying the avoidable excesses and measuring the Operating Department's profit objective to operate existing facilities at the standard-cost level.

2. The differences between standard costs on high-cost facilities and those deemed to be competitive cost facilities, thus identifying the marginal facilities and measuring the facility planning department's profit objective to obtain competitive facilities to sustain normal operations.

3. The differences between actual sales price and the standard competitive cost to produce the product, thus enabling the identification of the pricing deficiencies and measuring the Commercial Department's profit objective to obtain prices which yield an adequate net profit after taxes.

All of these things are contingent upon sound basic standards.

Standards Reviewed As Conditions Change

As conditions change, basic standards must be reviewed and adjusted in order to keep them always effective commensurate with existing conditions. A primary objective in such reviews is to insure that each responsible supervisor accepts the standards applicable to his operations as being attainable, thus assuming responsibility for the attainment thereof.

In the early part of last year, we put into effect in certain plants what we term an organized Cost Reduction Program. It involves a simple, systematic, unified, and continuous program to plan, forecast, follow up, and evaluate results from specific cost reduction projects. A "cost reduction project" in this program means any specific proposal to reduce cost where: (1) the plan of action is sufficiently well developed that it can be stated in reasonable detail; and (2) action under the plan, in the opinion of responsible Management, will reduce out-of-pocket expense.

The term includes all planned cost variance improvement projects, incentive applications, methods improvements, and other planned courses of Management action to reduce out-of-pocket expense. The program consists of three parts, namely:

Three Parts Essential To The Program

1. A project report to: record each specific plan of action to reduce costs; schedule the date for its accomplishment; and forecast the cost reduction benefits to be realized.

2. A monthly summary report to: record the total of planned cost reduction projects; forecast the benefits to be realized in accordance with planned schedules of accomplishments; and measure the rate of progress in the cost reduction endeavor.

3. A monthly verified savings report to: record the cost reduction benefits actually realized through project installations; and measure the accuracy of forecast data.

The benefits to be derived from the use of uniform reporting facilitates both plant and general office actions in this unified cost reduction effort. It enables, at minimum procedural expense, the simplified presentation of a monthly plant report as to current inventory of cost reduction projects on hand, forecasts of planned cost reduction installations and estimated savings to be realized.

A Summary Report is prepared at the conclusion of each month. Such report contains the summarized figures of all cost reduction projects installed during the current year to date and all projects in hand scheduled for subsequent installation.

The preparation of such reports at the plants is the responsibility of the Operating Department and is discharged through the Plant Industrial Engineering organizations working closely with Works Accounting.

A copy of each Summary Report is transmitted to our office where we assemble and consolidate them into an over-all Summary Report for the Operating Division. We also analyze, digest, and summarize the significant aspects of such over-all report and provide such related service as may be required.

The verification procedure lends great stability to this whole program. The fact that each project and its related estimate of expected benefits are subject to ultimate scrutiny and verification of actual results imposes an appropriate sense of responsibility and caution upon each advocate of a project.

On the other hand, it provides an assured method for measuring the results actually produced, thus assuring the ability to give credit where credit is due.

The experiences in this Cost Reduction Program to date emphasized certain well-known facts. For example:

1. The most effective way to advance is to determine the objective, schedule the date for its accomplishment, regularly check progress and continually drive to reach the objective on the scheduled date.

2. There is no substitute for the united effort of a group of people working enthusiastically together as a team under a unified and understood plan of action.

3. There is always need to make better use of what we now have, and the potentials for improvement vary directly with our will to improve.

We are convinced that the methods improvement, wage and salary evaluation, labor measurement, incentive, and basic standards programs, which are essential parts of our over-all cost reduction efforts, are sound and that as we proceed into the future proportionally greater benefits will be realized.

Four Functions Relating To Company Activity

In one way or another, these four functions relate to virtually every activity of the Company's business. A high degree of cooperative effort and interdepartmental relationship is required to see that Industrial Eningeering policies and programs are developed, installed, and administered effectively.

Such arrangement recognizes the need for effective management coordination to formulate and recommend policy involved in these inter-related subjects for incorporation into operating controls, production planning, standard cost, pricing schedules and other related management activities.

We believe that the proper handling of this function requires: (1) full executive recognition of the necessities for such service; (2) assignment of authority and responsibility for the inter-related parts of it to a single directing head with executive status; and (3) working arangements within the management structure through which such executive may coordinate with, service, and receive the assistance of the executive heads of the other management responsibilities having major related administrative interest; specifically Operating, Accounting, Engineering, and Industrial Relations.

Each of the steel producing Divisions of United States Steel has established what is known as an Industrial Engineering Advisory Committee to participate with a comparable Central Committee in our office in the determination of Industrial Engineering policies. Each Division Industrial Engineering Advisory Committee is composed of the Operating, Accounting, Industrial Relations, Engineering and Industrial Engineering executives of the Division. Each such executive represents and is represented by his counterpart in each plant of the Division.

Five Segments Of Company Always Represented

Through this participating arrangement no Industrial Engineering policy is developed in United States Steel without full consideration and representation from each of these five segments of Management. Such participation enables each of these five executives with his respective segment of the management team to pave the way for accurate application of the particular Industrial Engineering policy when it is established through the Industrial Engineering Advisory Committees.

The measure of success in these endeavors, however, is not regulated by the Industrial Engineering determinations alone, no matter how sound such may be.

The primary problems to be dealt with in cost reduction efforts are those of human reaction. Inertia and the natural human instinct to resist change are the principal forces of opposition to be overcome.

How this can be done is a subject worthy of the thoughtful consideration and helpful hand of every member of the management team. We believe it is necessary to convince the greatest possible number of the employees of any Company that:

1. The long-term interests of employees and employers are identical—not opposed.

2. Strikes, slowdowns, and lockouts benefit no one.

3. The elimination of waste, the improvement of performance, and increases in the efficiency of operations are in the mutual interest of all concerned.

4. The realization of an adequate net profit is the only means to provide real security of employment.

5. Real increases in wages and salaries can come only as they are earned through more effective performance which generates the added means for the payment thereof.

It is one thing to state the problem and another thing to point out its solution. We of Industrial Engineering do not profess to have the answer. But we do believe that the experiences in the methods improvement and labor measurement and incentive programs have some bearing.

First, it is clear that people are suspicious of things they don't understand. Consequently, to the extent that we can influence the situation, every possible effort is exerted to see that the employees involved are informed as to the reasons for actions taken in these programs, and are acquainted with the mutual benefits to be derived therefrom.

Second, it is clear that the employees of steel are incentive-minded. We know of no more eloquent persuader to higher performance than the tangible and meaningful result of added compensation for extra effort. Thus, we strive to extend sound incentive coverage to the broadest practicable extent, the purposes being to reduce costs and increase earnings and profits.

Third, we firmly believe that, regardless of how effective the accomplishment, no job was ever done so well that it can't be improved upon if the will to improve is sufficiently strong. It has been said that our slogan might very well be: "Never leave well enough alone." END

SCHEDULE OF NATIONAL MEETINGS—1954-55

Sept. 18, 1954 .... Exec. Committee
Oct. 30, 1954 .... Board of Directors
Feb. 12, 1955 ..... Exec. Committee
April 30, 1955 .... Board of Directors
May 28, 1955 .... Exec. Committee
June 25, 1955 .... Board of Directors

JOHN B. JOYNT, thrice-elected Treasurer of SAM, is manager of the administrative engineering department of America Enka Corporation of New York, has had wide experience in management consultation, the armed services, government, industry, and education. In addition to being a sought-after lecturer, he conducts courses at Graduate School of New York University and is the author of a number of articles on management controls.

Management's Basic Function: Policy Formulation: Part I

by John B. Joynt, Manager
Administrative Engineering Department
American Enka Corporation

This is Part I of a two-part article on one of management's absolutes. The author's experience in administration with a large American firm puts him in an authoritative position. This article is a distillation of his personal experience, and it applies to management's most fundamental function in any company, in all areas and times

POLICY is the mainspring which keeps American business ticking. Today's successes or failures can well be measured against the policies and plans formulated in the past. Although policy is discussed daily in nearly every business. there are many companies without written policy statements. Some companies have developed statements, but in many cases they are not only obsolete but are tucked away in some executive's desk drawer. In some organizations they are highly confidential. Only a favored few are supposed to be "in the know." Other companies have policies, but they are not properly implemented or adhered to.

If management is thinking about policy formulation it should consider several things. Is policy formulation important? Are we really interested in policy formulation? How much executive time should be devoted to policy formulation as compared with other aspects of the business? Will policy formulation ultimately conserve executive time? Do we have a definite understanding as to what policy really is? Do we really believe in the need for policy formulation? If so, how is it best formulated and what are the benefits? If we have policies, are they sound and do they cover all aspects of our business? Have they been stated in clear and easy-to-understand language? Have they been distributed to those affected thereby? Are they understood and applied effectively and uniformly?

These are only a few questions that might be raised. Recognizing policy formulation as a management responsibility we should answer these questions and suggest a planned and orderly approach to the job of policy formulation.

This discussion divides them into seven principal parts: 1. Characteristics of Policy, 2. Significance of Policy, 3. Participation in Policy Formulation, 4. Preparation, Coordination and Distribution of Policy Statements, 5. Application of Policy, 6. Why Management Fails to Develop Policy, 7. What Makes Policy Effective.

What is Policy? Policy is something that establishes a basis for action. Decisions made by the Board of Directors, the President and the key executives generally establish policy. The original decisions made by Division or Department heads or other supervisors may either establish new policy or be based on policy decided by higher authority. Decisions which create a precedent upon which subsequent actions may be based establish policy. For example, a decision to reward an employee for some unusual act is not a policy; but if management should decide that under all similar circumstances, all employees will be paid a bonus, such a decision constitutes a policy.

Policy is an instrument of control and coordination. Policies should be built on sound judgment, and should reflect the basic objectives and goals and the underlying philosophy of management. These basic goals and the philosophy of management through which such goals are accomplished create the climate in which policy is developed. Without this basic foundation the direction of policy is not fixed.

Classification of Policy. Policy may mean different things to different people. Any attempt to classify policy is like trying to classify the weather. Hot, mild or cool, or clear, partly cloudy or cloudy, represent varying degrees of temperature or atmospheric conditions, but it is a little difficult to draw a clear distinction between them.

Policy too can be classified but the different classifications will be interpreted by each group in the light of their own operations or functions. Three classifications have rather general application.

Basic Corporate Policy. Such policy is very broad and applies to the entire organization. These are the policies which govern the over-all operations or functions of the various departments, divisions, etc. Normally such policy is authorized by the head of the organization, and establishes the framework within which specific operating policies are determined. A decision to give a certain individual supervisory training would not constitute a policy but if every supervisor is to attend a training session twice each month a definite corporate policy has been established. *Example*: Corporate Policy: To maintain sound public relations.

Divisional or Operating Policy. Such policy must be within the intent and spirit of the basic corporate policy. It would cover divisional operations and would be authorized by the operating head of the division. It might well have the concurrence of staff department heads, however, if the latter were affected. *Example*: Sales Division Policy: To make frequent contact with customers to improve customer relations.

Departmental Policy. Such policy too must be within the intent and spirit of the basic corporate policy. It would be limited, however, to the functions or operations controlled by a single department head and would be authorized by him. *Example*: Sales Departmental Policy: To write each customer in the district a personal letter establishing the status of his order.

Regardless of the kind of policy, the distinction is largely a matter of scope. Basic corporate policy embraces the entire organization, whereas departmental or divisional policy relates more closely to the functions of such particular organizational units.

The Scope of Policy. Frequently, only certain aspects of the business are covered by basic policy. Sometimes policy formulation is restricted to those areas where circumstances have forced policy formulation, such as relationships arising out of Union negotiations. But policy should not be this limited in scope.

Although policy planning should be based on policy needs, its formulation should not be delayed nor restricted to those aspects of the business for which the need is dictated by outside forces. It should cover all aspects of the business: Industrial Relations, Sales, Research, Purchases, Public Relations, etc. In government it should cover the administrative as well as the substantive programs of the agencies' operations. Policy should be based on the organization's desire to be fair, honest and just with its employees, its suppliers, its customers, its stockholders, and the public.

The Significance of Policy: Three Fundamentals

Policy involves three fundamentals. First, the policy decision, second, communicating the decision to those affected, and finally applying the decision. Policy provides a basis for action and consistent treatment of like circumstances.

Before any far-reaching plans can be developed, it is essential that there first be a governing policy decision. One of the most important policy decisions ever made was the decision in World War II for the allies to defeat the Axis (Germany and Italy) before Japan. Based on this policy determination, our entire national planning effort was directed to accomplish this objective.

Journeying down the administrative pyramid from our highest plateau—Management philosophy, basic objectives and goals—we proceed from (1) policy determination to (2) procedures to implement policy and finally to (3) day to day decisions covering all operations.

Each of these steps are closely related. To be accomplished effectively there must be proper delegation of authority, active participation by the management group at all organizational levels, and a sound system of internal administrative communications, not only to convey management's decisions, but to furnish management the viewpoint of the entire organization as to the adequacy and effectiveness of policy.

Means of Carrying Out Management Philosophy. Management's philosophy and goals are broader in scope than the policy by which they are carried out. Management philosophy is like a charter or the Constitution of the United States which permits freedom of speech, freedom of the press or freedom to worship. Policy is the means of expressing and implementing that philosophy. Just as it is the practice of many companies to reduce their policy statements to writing, some have likewise reduced their management philosophy to writing. American Enka's management philosophy for instance is published and sets forth four basic corporate goals: 1. To maintain a high level of morale throughout the entire company, 2. To be the best managed company in the rayon industry, 3. To be the most respected company in the rayon industry, 4. To be the most successful in relationship to profit potential.

But we need more than management philosophy. To make our management philosophy a real living thing, we must have sound policies for all aspects of business.

Basis for Action. Day to day decisions are based on policy. Often the need for decision points up the lack of formalized policy, and the making of decisions often becomes policy.

Basis for Delegation of Authority. Delegation of authority cannot be truly effective without definite policies; basic corporate, departmental and operating policies. Delegation of authority with policy as to how such authority will be administered provides a basis for decision without reference to higher authority. Delegation of authority provides an opportunity as well as a responsibility to think, plan and do; to make a personal contribution to our company's success. Without delegation of authority we are depriving our Junior Executives of a very potent force—the opportunity to accomplish. This we should not deny them.

Basis For Development Of Procedure: Policy

Basis for Development of Procedure. It is no longer possible to conduct business without administrative procedure. You cannot plan, make, buy or sell anything without preparing the necessary papers to transact that particular aspect of the business. Policy and procedure are so closely related that it is difficult to separate them. What is considered policy to one person may be considered procedure to another, and vice versa. Many of the factors influencing the formulation of policy and procedure are so common that it is frequently desirable to consider both at the same time. A procedure is a formalized plan for carrying out policy. Policy is the "what", procedure is the "how". Policy must be practicable and easy to apply, and the related procedures must be developed on such a basis to insure that the policies are carried out. A policy to promote and develop executives from within one organization would mean

very little without the necessary procedure to make the policy effective.

Basis for Sound Public Relations. Public relations is an external expression of what goes on inside a company. One good test as to the acceptability of policy is whether the publication of this policy would help or hinder the company public relations position. Sound policies establish the foundation upon which sound public relations may be built. Many organizations have active public relations programs to continuously scrutinize internal policy for its public relations value.

Participation in Policy Development: Who Shall Do It?

Who Actually Determines Policy. It is a popular conception that only the President or the Board of Directors determine policy. This is not so. If a business is operating under truly modern principles of management, iniation of policy at the operating levels will definitely be encouraged. Furthermore, the individuals concerned with policy will be given an opportunity to participate in its development.

Participation by Line and Staff Officials. It is highly desirable that key line and staff personnel be given an opportunity to participate in the formulation of policy affecting them. Apart from the contribution which they can make, the reaction to a new policy will generally vary to the extent that the people affected participated in its development. Every individual at some time has seen the difference in reaction between receiving a cold announcement some morning that something will be done, as contrasted from the support which will be given the same policy when the individuals concerned participated in its development.

A policy statement may be issued over the signature of the President, but a very large segment of policy formulation must of necessity be initiated in the staff and line units within the organization. An abundance of good ideas from the operating heads will be forthcoming when they are encouraged. Any executive who is not encouraging this practice is not only short changing himself on high grade assistance which is available, but he is depriving his subordinates of an opportunity to participate. An executive who thinks that he formulates all policy is either kidding himself or running a one-man show.

The Committee Approach. It is desirable at the outset to determine the steps which a policy statement will take in the course of its preparation, review and final approval as there are several ways to accomplish this. Who should review the drafts of policy statements?

Who should finally approve a policy statement? What should the channels be in obtaining approval? Is it advisable to establish a policy committee?

There are both advantages and disadvantages to the committee approach. The disadvantage is that decisions are slower and time is consumed by several individuals on matters which one individual might otherwise decide. For this reason, committee action may tend to diffuse what would otherwise be the clear cut responsibility of a single individual. A conference or group discussion on the other hand provides group thinking and a basis for reaching group understanding relative to the establishment of plans, policies and practices. It provides organizational mechanism for closer cooperation and coordination on company-wide and interdepartmental problems. A policy committee or conference group can be a highly effective tool of administration if it is well conceived as to membership, with each member contributing under a team spirit; if it functions under proper conference leadership with a definite agenda and procedures as to its methods of operation, and if it discusses and makes recommendations on important and timely problems.

Securing Concurrences of all Interested Officials. In general there are two approaches in processing policy statements for approval:

Where a Major Policy Change is Under Consideration. It is desirable to submit such policy statements to top management first, and then to interested line and staff officials for concurrence. Following this it may be necessary to revise the draft based on comments. After all comments have been considered and concurrences of the individuals concerned obtained, the policy statement should then be submitted to the approving official over whose signature the policy statement will be issued. When it is submitted to him, it should have the required concurrences, or reason for non-concurrence.

Where a Minor Change is Under Consideration. In such cases the policy may be submitted to staff and line personnel affected for comment or concurrence before being submitted to the approving official. This approach has the advantage of having all concurrences and then being submitted to the approving official as "completed staff work".

The method used will depend on the nature of the policy statement. Where important policy decisions are under consideration it would be dangerous to refer such statements to line and staff personnel without first obtaining at least in principle the views of the top management group. On the other hand, where lesser important decisions are under consideration it would save top management's time to have the consolidated viewpoint of the operating units first. This certainly can be the done in many cases. The particular approach used depends largely on the character of the policy statement. In any event it is desirable to conclude with the unanimous concurrence of all individuals without reservation.

Team Work in Policy Formulation. Participation in policy formulation by the individuals who will be responsibile for administration of such policies is highly desirable. People want to be a member of a team. They want to be in on the planning as well as the doing. Business in some aspects is like football. It's the team with the strong spirit, which builds reserve strength year after year that wins consistently. But it takes more than a first team. And if management is concerned with the development of its people, it will give the second and third teams an opportunity to participate in policy formulation.

Junior Executive Needs Opportunity To Develop

Broadening the Junior Executive's Perspective. In addition to the company spirit and stimulation provided in policy development, such participation broadens ones perspectives. It gives the junior executives an opportunity to consider, discuss and make a contribution to functions beyond the scope of their normal assigned responsibility. It extends their capabilities and interests to other departments. If management is concerned with building up and developing people it will seek the participation of its junior executives in policy formulation. END

(*Editor's Note: This is the first of a series of two articles by this author.*)

PERRIN STRYKER is a Member of the Board of Editors of FORTUNE Magazine, following two years service as an Air Force captain assigned to General Arnold's command during World War II. An Amherst graduate, Mr. Stryker's pre-war years were spent doing editorial work for FORTUNE, and in the preparation of many important articles concerning industry, corporation histories, and a book about industrial mobilizaton.

The Growing Pains Of Executive Development

by Perrin Stryker
Member of Board of Editors of Fortune Magazine

There are probably as many rules for successful executive development as there are companies interested in the problem. But what is the state of executive development? Can any rigid formula provide an answer? This author says no, and tells the actual state of executive development programs at present, and describes some of the types of men whom they must operate

MANAGEMENT techniques of executive development are at present in an excessively fluid state. Management today appears almost to have passed through that first era of discovery when all sorts of executives became convinced that they should do something about finding and improving the men who would succeed them.

This first phase was characterized by a strong interest in formal programs of development, and it culminated three or four years ago in a rather rigid formula. The formula had five parts, the first four of which were:

1. clearing up the company's organization structure;
2. defining functions and responsibilities;
3. the inventory and appraisal of present executives, and
4. setting up replacement schedules.

A good many companies got so bogged down in the first four steps of this formula that they never reached step five, which is the actual development of executives. I might add that a good many companies can still be found thrashing around in the paper work of organization planning, appraisals, replacement charts and selection tests.

More and more companies now seem to be learning the hard lesson, that executives, unlike soap or refrigerators, are not made by a step-by-step process. However, having learned this lesson, executives concerned about the development of future managers have been trying one development technique after another. The result of this has been an excessively fluid situation. In the turmoil and confusion over techniques, management's convictions about executive development have become ever more varied, numerous and conflicting.

Here and there, however, a few companies are now trying to cure their overindulgence in training managers. The new program at the Ford Motor Company is an example of this determination to get back to some fundamental training methods—such as hard work on a job. At Ford (and some other companies) the conviction now is that the key to successful management development is self-development; that is, a potential manager should be expected to do a job and to carry on his own development with no more than a slight assist by the company. This renewed faith in self-development is not only a refreshing note, but one of the most hopeful signs that executive development is really getting somewhere.

Now, briefly, some of the extraordinary convictions about the development of managerial talent that are to be found among executives themselves. There are five of these questionable assumptions which I think management ought to be concerned about:

1. The assumption persists that the qualities of an executive can be developed in a candidate by teaching them to him in conferences, college courses, management seminars and other school-like gatherings. The validity of this assumption has been so often disproved by actual experience that there is no need to dwell on it. Sending managers to school may do a lot of good, particularly where older executives have the chance to swap experiences in bull sessions while they are living on a college campus. Some startling transformations in attitudes have occurred in men who have seen their pet ideas and prejudices battered by managers who are their temporary classmates. Nevertheless, the teaching of rules and principles of good management does not usually make much of a dent in the actual behaviors of student executives.

2. The assumption that good human relations are the panacea for management problems has also been rather blindly accepted. The corollary of this is the belief that conflict between executives is bad for executive development. These propositions persist despite the fact that the conflicts on a job and the disciplines forced on young managers may actually do more to develop the qualities they need than any amount of human relations.

3. The assumption that there is an executive type is widely accepted, either openly or implicitly. Yet any executive presumably knows that a company needs all kinds of managers for different levels of jobs. The qualities most needed by a shop superintendent are likely to be quite opposed to those needed by a coordinating vice president of manufacture. The literature of executive development is loaded with efforts to define the qualities needed by executives, and by themselves these sound quite rational. Few, for instance, would dispute the fact that a top manager needs good judgment, the ability to make decisions, the ability to win respect of others, and all the other well-worn phrases any management man could mention. But one has only to look at the successful managers in any company to see how enormously their particular qualities vary from any ideal list of executive virtues.

Problems Of Executive Specialists Change

It might also be pointed out that the training of executive specialists to handle the kinds of problems which management faces today assumes that these same executives will be asked to handle the same kind of problems five or ten years hence. From the standpoint of historical experience, it is obvious that this is not at all likely to be the case.

4. Another fairly common assumption that has survived from the days of rugged individualism is that all young men want to become executives. As surveys by FORTUNE magazine have shown in recent years, this is clearly not a fact. The swarms of college graduates who embark on formal training programs each year might be taken as evidence that these young men want to rise to the top. When these trainees are questioned about their future plans, however, they show little desire for the responsibility, headaches, and long hours which they know will be required of those who reach such eminence.

The trainee in a formal program is generally quite ready to accept the painless progress up the ladder which is so frequently outlined for him. He is often convinced that the best way to get ahead is to "get along with people." His conviction probably exists because management itself has placed so much emphasis on human relations.

Good Executives Not Always College Graduates

5. The assumption is widely held that college graduates are the best raw material from which future executives can be made. Statistics undoubtedly favor the chances of a college graduate becoming an executive. But many executives seem inclined to forget that some of their best managers have not gone to college. Moreover, most executives will readily admit that when they pick a new manager they look for such qualities as drive, decisiveness, and a pleasant personality, which are not the products of academic education. Nevertheless, the idea persists that a man with a degree has the kind of brains and social outlook which fit him for executive work.

In addition to these assumptions about executive development, there are specific errors which managements have committed in trying to carry out their programs. There have been many kinds of failures in this area, and I will point out only some of the most common mistakes.

There is top management's failure to take any real interest in whatever development program the company may have adopted. There is the failure of putting all the emphasis on getting a reserve pool of future managers, instead of attacking the immediate problem of developing incumbent executives and supervisors. There is the failure of executives to relinquish to their successors the responsibility and authority which they had on their old jobs. There is the failure to check the results of an executive development program. There is the failure to analyse the company's actual needs for new managers and the failure of grabbing at packaged programs and popular training gimmicks. There is the failure of tolerating mediocre performance by executive trainees, (presumably on the theory that the boss ought to be nice to the guy) so that the trainee will learn not to be tough with somebody else.

Many more specific failures could be added to this list, and one could add a whole catalogue of problems which have plagued management development programs. Here are two. One is the old "crown price" problem. This is no small problem, especially in view of what the young management trainee now seems to expect. It has been the experience of one company, for instance, that at least half of all college men interviewed by the company want a "crown prince" program of executive development. Most of these young men are distinctly disturbed when they are told that the process of rising in the company's ranks is a rat-race. As one of the company's executives puts it, "After all, we're running an industry, not a training school." This is a point, that many managements seem to have forgotten.

Executive Development Program An Asset

The other problem is the slow starter, the man who doesn't begin to show what he has until he's been around for five, ten, or fifteen years. In many cases he is totally overshadowed by the boy wonders, or the "flash boys" as they are sometimes called. A better description of them might often be "flash-and-fade boys." The slow starter may have potentially much more ability than the flash boy, but an executive development program may fail to spot him simply because he got a low score on some test or made an unsatisfactory showing in the shipping department or wherever he has been pocketed.

The fact that people mature at different speeds is no great news. But from this generality to the actual practice of careful selection is a long and difficult step, and in trying to make that step a company can easily be tripped by one or more techniques of testing, interviewing and appraising.

This gives a general idea of the fluid state of the practice of today's executive development has found the practice of executive development is not only a tough business but a business on which it is almost impossible to show any specific returns. In view of some of the failures in development programs it is somewhat surprising that a lot of companies have not decided to junk the whole business.

However, the case for executive development is not as hopeless as it may sometimes seem. Some companies have already stopped licking their wounds and are trying different tactics.

A few of these tactics seem to be succeeding. One is the effort to change the climate of the job so as to encourage executive growth. This involves a lot of different factors, such as pushing authority down the line, letting men deal with each other and with other departments regardless of what the organization chart says.

Effective Merit Rating System A Must

Another technique for improving the training climate is to put teeth into a merit rating system, especially the merit rating of middle-level executives. At General Motors, for example, bonuses are awarded on the basis of thorough and repeated appraisals of a manager's performance, and while the ratings themselves may not be perfect, the fact that a manager's earnings are definitely tied to his performance seems to be extremely effective in sorting out and identifying executive potential.

Some companies are also beginning to get results with new conference techniques. In one company, top management lets its junior managers sit in on actual decision - making conferences which are intended to give them the taste and feel of actual management. Another company lets its supervisors and junior executives hold problem conferences in which the company's difficulties are kicked around. Questions about these problems are sent to top management, which sends back written answers to the conferees.

One of the most promising group techniques is the use of vertical conferences that include managers from all levels. The experiments with such conferences which have been going on at the Calco Division of American Cyanimid Corporation show that it may take nearly a year to develop a mutual understanding among managers from different levels. But once such understanding is established it apparently can produce measurable results in production efficiencies. At the same time, the managers learn how to improve their thinking habits.

Then there is the "first-assistant" technique which the Jewel Tea Company applies to its executive development problems. In this system, every executive is held responsible for helping his subordinates with their problems, actually sitting down with them and working out the details if necessary. This system seems to work, perhaps because the executive who is unable to accept this philosophy does not last long at Jewel Tea.

But there is no need to continue citing examples of new approaches to the problems of executive development. Almost every company with a development program has its own particular twist on some technique. Moreover, almost every management man will agree that it is not possible to develop managers simply by applying a new technique. The job is infinitely more complicated than that. The job, in fact, is just as complicated as every individual.

For that reason it is refreshing to note that in some quarters management has begun to shift the weight of executive development back onto the would-be manager himself. The emphasis on self-development is not new, but it is rather new among those who have become practitioners of management development techniques.

The back-to-work program at Ford, which had been spending some $375,000 a year on a Field Training Program, is a symptom of this new emphasis. Ford has now shifted to an abbreviated $24,000-a-year program for young trainees who receive only one day of orientation and only one two-and-one-half hour class a month. They are put immediately in a job where their promotion depends strictly on their performance.

Trainess Learn To Do By Doing

Ford has cut out such extra-curricular frills as rotation from job to job, and is depending on daily on-the-job experience to knock into its trainees' heads the things they should know. There are no glowing promises of progress. As one trainee at Ford puts it, "The point here is that if you do a good job on something small, maybe you will get a chance to do something bigger." Another says, "If a trainee gets out of line on his job and offends people by his attitude or manners, the results will show up on his job and he will soon mend his ways." Ford seems to be leaving the trainee's development pretty largely up to him.

It may be that the confused state of executive development theory and practice today is largely due to management's efforts to train executives by a process of forced-feeding. That is, by trying to cram management knowledge and abilities into promising young men. Often it has seemed as though the techniques did not distinguish the difference between developing an executive, and training an accountant or a lathe operator. If good management were simply a matter of knowledge and skill, I have no doubt that the problem would have been solved long since by some technique or another. Unfortunately, executive development techniques are no more capable of making good executives than a college is capable of making an intelligent man.

Well-rounded Personalities Make Good Executives

A training technique may help to the extent that it gives a man information and an intellectual understanding. But the real development of an intelligent man or a good executive is necessarily the result of all his experience, not merely the kind he gets on a job. A man may conceivably gain considerable executive ability through some failure or embarrassment or small success he may experience at home, or perhaps while he is trying to help his wife run a church bazaar. On the other hand, the fact that a man is extremely active in social or civic groups is no guarantee that he will develop into a good executive.

In many respects therefore, management is clearly a very long way from mastering the business of developing executives. How far it has to go can be measured by the fact that almost no one today seems to be able to define what an executive is.

One main point about executive development remains: in spite of all the development programs and all the techniques, all the talk and confusion about this whole subject, management may be coming around to at least one solid conclusion. That conclusion is, that the best developer of executive ability is the working man. A training program may or may not help him develop. But a tough job almost certainly will—provided he wants to become an executive.

END

CECIL E. GOODE, Director of Personnel of the Federal Civil Defense Administration, has been in government service specializing in personnel matters since 1941. He is the author of numerous articles on personnel administration, and a book now in preparation, "Unleashing Productive Power".

Better Than The Profit Motive

by Cecil E. Goode
Director of Personnel
Federal Civil Defense Administration

Most management men believe that the profit motive is the prime mover of all business. This author takes issue with that thesis. Far deeper motives, an impulse far more fundamental and far better, moves the American economy, he claims. He gives illustrations, cites examples, in this interesting and provocative effort to disprove an accepted, if not honored, theory of business and industrial enterprise

MUCH has been said about the importance of the profit motive in our economic system. We have prided ourselves on the extent to which the profit motive has supposedly contributed to our progress. Like the economic law of supply and demand, the profit system has supposed to provide a built-in set of economic checks and balances together with human motivations which have kept our enterprises efficient.

In fact, business leaders and public administrators have decried the absence of the profit motive in government. They have become accustomed to thinking of government as inefficient primarily because it does not have the profit motive. But neither do we have the profit motive in such organizations as the public schools, hospitals, colleges, and other institutions. Nor do we have the profit motive in the Army, the Navy, the FBI, the Red Cross, and religious organizations.

Has the profit motive been the force we have thought it to be? This may be one of the fictions of our day. Perhaps it was important at one time when our working organizations were smaller and ownership and management were one and the same. Is the profit motive still the principal guiding force in organized endeavor?

Schools, colleges and universities are an accepted part of our life. Many of them we do not consider inefficient. Has the profit motive guided these institutions in their development and in their contribution to society? Hospitals, children's homes, clinics and charitable institutions have provided needed services to the community and we would not ever consider doing without them. Has the concern for profits been a prime motivator in the important work of these institutions?

In times of peace the Army, Navy, Marines and Air Force are stand-by forces and may not seem to accomplish anything specific in return for the tax money expended. But certainly in times of war we have always considered our armed forces to have done the job as expected. Has the accomplishment of this job been influenced in any way by the profit motive? The FBI is one of the most respected and popular services provided by the Federal government. No one would do away with the FBI. It is considered to be doing a worth-while and necessary job.

No doubt in the early days of our economic system, the profit motive was significant in the development of businesses and industries. Then the owners and the managers were generally the same and there were only a handful of people working for them. Certainly the goal of profits had something to do with the interest and zeal of the owners and managers in doing their job. No doubt the nearness of the workers to the managers made the goal of profits mean more to them than it does today. But even so, profits were not *their* motive. It was the motive of the owners and managers.

Even though we may admit that the desire for profits has led to achievement, we will admit it also led to the exploitation of resources—of natural physical resources as well as human resources.

Now that ownership if farther removed from management, the quest for profits can no longer be considered the prime motive of organized endeavor. It may still be the prime motive of the owners and the stockholders, but that purpose is not so significant with managers and workers who are far removed from ownership. Profits may be of interest to top managers as a standard of accomplishment, as a measuring rod for achievement, but certainly it is not much

of a factor for lower levels of management and supervision, and it is practically no factor at all for the rank and file worker.

John Cramer, writing in the *Washington Daily News*, calls the profit motive "a false and insidious myth."

"It's vastly over-rated:

"We Americans like to think that the thing which makes American industry so efficient is the profit motive.

"This COULD be one of the GREAT MISCONCEPTIONS of our time."

Profits are not now the end goal or yardstick of organized endeavor of all kinds. It is doubted, in fact, that the profit motive was ever so important as it has been reputed. Certainly it was not pre-eminent in the development of the great enterprises and institutions which have grown, prospered and advanced the well-being of the country.

What Actually Motivates All Enterprise?

If profits are not the real motives of organized endeavor, then what is? A study of many of the major accomplishments of history will reveal that a feeling of identification with something good, something useful, something creative, has been the real motive of achievement. Nothing fires imagination and effort like association with a great cause. We are inspired and do our best when we feel that we are working on something which is for the good of many and something which is lasting. Said Marshall Foch: "The most powerful weapon on earth is the human soul on fire."

Certainly we work to earn a living, but while that is an obvious reason for working, it is not the sole reason nor, for many, the most important. The more productive our activity is toward meaningful achievement, the happier we are. Work without pride of achievement is indeed an empty existence for all who work—for both management and employees. We cannot hold our heads up with our neighbors if we are not sold on what we are doing and if we do not feel that it is worth-while. We are silently ashamed if what we are doing is for the good of one person or group at the expense of others; and we try to rationalize it to the benefit of all if it is not actually that.

Well-known industrialist H. Fred Willkie, brother of Wendell Willkie, has said: "Mere profit has become a poor substitute for the sound sense of personal values which should attend and motivate all industrial endeavor." There is no reason, he says, why industry cannot operate efficiently with a comfortable profit and an increasing income to workers. But "this profit should be incidental to other factors." He feels that much of organized management is not able to understand that the profit motive cannot be as important as it used to be. They cannot understand why some progressive industries prosper and keep ahead of their competitors when they are in tune with modern thinking which relegates the profit motive to a secondary role.

Not only does progressive industrial leadership recognize the new trend in industrial motivation, but enlightened labor leadership also recognizes this new development. Labor leader Clinton S. Golden has said:

> "It must always be borne in mind that it is not exclusively the hope of material gain that prompts workers to organize or to respond to appeals to organize. It is the striving for more adequate means of expression, the desire for personal recognition, self-respect, and a creative, self-satisfying role in modern industrial society."

What Are The Reasons That People Work?

We have shown that the main motivation of work is not profits but identification with something worth-while. It will be surprising to some that economic motives are not the main ones nor provide the main satisfactions from work. Probably the first reason for working is to earn a living, but that is not the most important reason as long as there is a reasonable wage providing some of the comforts of modern civilization. It is interesting that most studies of the motives for work do not show pay as the most important or even near the top of the list.

Maslow presents a very interesting explanation as to why some of the basic psychological drives which we would think would loom high in importance in the working situation are not generally listed as being so important. He lists our basic needs as: (1) to stay alive and be alive; (2) to feel safe; (3) to be social; (4) to feel worthy and respected; and (5) to do work we like. The first two are considered to be basic needs which would be of first importance in a marginal economic society, but in America we have come to take these two for granted and, therefore, we consider the remaining three to be of more importance.

What Does Labor Think Motivates The Workman?

Already we have pointed out that Clinton S. Golden, the noted labor leader, considers that the principal motivation of workers is not material gain but the desire for expression, personal recognition, self-respect, and a creating, self-satisfying role. F. J. Roethlisberger points to a significant change during the last 25 years in what we consider to be the main reasons that people work. Previously we thought that people worked for economic gains. He feels that this has been disproved, that people are activated principally by the desire to belong and to be part of a group.

William H. Whyte, Jr. has shown that even top-salaried business executives do not work primarily because of the prospect of financial gain. We have become accustomed to grumbling about high taxes and the loss of incentive because of insufficient take-home after taxes. In response to the question asked in a Fortune Poll, "Would you be working harder now if your taxes were less?", the executives answered sheepishly, "No." They couldn't work any harder.

Outlined here briefly are the major motivations of people who work, as distilled by the author:

(1) *Workers want to be a part of something worth-while.* They like to feel that they are accomplishing something—that they are rendering a needed service. Nothing is as bad for morale as a feeling that unnecessary or unproductive work is being done. This stems from the creative instinct which is a part of us all. It has been said so often that it is a truism—that before one can sell somebody else, he must be sold on himself. Before a worker can be sold on an organization for which he works, he must be sold on his part in the organization.

Pride of achievement or creation is one of our strongest satisfactions. Before the full value of this motive can be realized in modern society, means must be developed for putting back into work some of the joys of creation which craftsmen had before the day of the

minute division of work.

(2) *Workers want to be recognized for their accomplishments.* This recognition must be in ways other than through the pay check. Compensation is taken for granted. Workers expect to be recognized for work well-done in the day-to-day informal contacts with their supervisors. They want helpful suggestions to be willingly received and acknowledged as good when they aid the worker save money. They feel that they are entitled to appreciation for long, loyal and efficient service.

The value of praise in human motivation has long been realized by psychologists and those practical people who direct the affairs of men. In fact, it is recalled that a business leader found praise to be so much more potent than blame that he decided to use only praise. If he found nothing praiseworthy in a subordinate's actions, he would say nothing rather than to use the negative motive of blame.

(3) *Workers want to work for leaders whom they can respect.* People like to be led by leaders who can command respect, who are democratic in their dealings with them, and who are capable in their chosen field of work. Studies have shown and experience has borne out that the quality of supervision is probably of paramount importance in determining whether employees will be satisfied and efficient.

Social Research Institute Adds An Important Factor

The Institute for Social Research at the University of Michigan is finding that satisfaction with supervision is the one factor which contributes most to job satisfaction and morale. And they are finding a relation between job satisfaction and productivity.

Business Week reported, a few years ago, a study of 175,000 letters written by employees of the General Motors Corporation on the subject, "Why I Like My Job." The single reason given most frequently as to why employees liked their job was that they liked their boss. Wages significantly were listed third as a reason for liking their jobs.

(4) *Workers expect to be paid in accordance with their achievement for the organization.* The principle of "equal pay for equal work" is not merely a civil-service slogan or a theoretical goal which nobody expects to reach. Workers want to be paid in accordance with the value of their contribution to the organization's objectives. They will not always be able to understand why a certain type of contribution is worth more than another, but if they feel that an organization is honest about it, they will go along with it.

Pay Scale Does Not Control Attitude Of Workman

The general pay scale in a given organization may be below that in similar organizations or enterprises, but other satisfactions of a non-economic character may be controlling.

(5) *Workers like to feel a measure of security in their jobs.* This desire has probably been over-emphasized, yet it is important. We never can have complete security, and if we did, we and the organization with which we are working would stagnate. Workers must be secure in the feeling that competence will be recognized. As a result they will feel that they have a fair chance to progress in the organization and to remain with the organization if they wish. They are happier where opportunities are available for self-improvement through training and they are encouraged to develop skills which are needed now and in the future.

(6) *Employees want a chance to get ahead.* They want to be able to look forward to something better—at least to know that the opportunity exists for something better even if they may never reach it. They will frown upon the arrival of an outsider when one of their number, who was equally or better qualified for the position, was available but was passed over.

On the other hand, promotions should not be made from within to the extent that new blood is never brought in except at the bottom. Enough new blood needs to be infused all up and down the line to provide the stimulation of new and fresh thinking and to keep workers who have been in the organization a long time from becoming *too secure.* This may be a balance which is difficult to maintain, but in the long run it is good for the organization and for the future opportunities of deserving employees.

(7) *Employees want a chance to participate in management planning and decisions which concern them.* Futhermore, they want to have a chance to participate in technical planning and decisions involving their immediate work. Experience has definitely demonstrated that employees who are consulted freely by management and their immediate supervisors are more satisfied and productive than those who are not. A noted psychologist, Gordon Allport, has said: "People must have a hand in saving themselves; they cannot and will not be saved from the outside." This is merely extending the principle of democracy to the work place. Ample evidence exists to prove that democracy is not just a governmental concept but works equally well in working organizations.

(8) *People like to work in congenial surroundings.* They like to work with friendly, honest and capable colleagues. Of secondary importance, but nonetheless important, are pleasant and attractive physical surroundings. When it is realized that about one-third of an adult's life is spent in the working environment, the importance of congenial, attractive surroundings is readily apparent.

The General Motors "Why I like my job" study revealed that "I like my associates" was the second most important reason for job satisfaction. It was second only to "I like my boss."

We are coming to realize the importance of the work place as a society and of the need for making it as livable for the occupational third of our lives as the home, recreation, and sleep two-thirds are. We are coming to realize, too, the importance of such physical factors as lighting, color, noise, temperature, fumes, dust, cleanliness, and safety, among many others.

The Workman's Wants Are Definitely Attainable

These wants of workers are not inconsistent in the least with the objectives of good management. Properly recognized and taken into account by management, they will redound to the benefit of management as well as to the workers. They will facilitate the accomplishment of whatever projects management sets out to do.

There must be more realization of the importance of people in an organization —of the potential power which an organization has when it has a corps of able and conscientious employees, all working toward a common aim and each serving as an influence for not only accomplishing the job of the organization but for doing it better.

We are reminded of the classic dec-

laration of Clarence Francis, Chairman of the Board of General Foods, which expresses the new philosophy of management now being born:

"You can buy a man's time.

You can buy a man's physical presence in a given place.

You can even buy a measured number of skilled muscular motions per hour or day.

But you cannot buy enthusiasm . . . you cannot buy initiative . . . you cannot buy loyalty . . . you cannot buy the devotion of hearts, minds, and souls.

You have to earn those things!"

The profit motive as a force for progress has been overemphasized. In fact, the profit motive may be a delusion of our time even more than in the past. Fewer people nowadays can identify themselves directly with the quest for profits because ownership is farther removed from the managers and the workers.

Even the purely economic motive does not occupy the position of relative importance that it might have at one time. The better off we become, the more important other motives become—such motives as to be identified with something worth-while, pride of achievement or creation, recognition, respect for leaders, congenial co-workers and environment, and participation as a needed partner in the enterprise.

Modern management is coming to recognize that profits and the pay check are far from the full answer, or even the most important answer, to production, to job satisfaction, and to the total well-being of those who work. END

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MODERN BUSINESSS LAW, *by A. Lincoln Lavin A.B., LL.B., J.D., Prentice-Hall, Inc., New York. 970 pages. $6.75.*

This author is Professor of Law and Chairman of the Law Department, St. John's University, School of Commerce, and a member of the New York Bar. He knows what he is writing, and his book shows it. In his preface he makes an interesting statement that provides something of a keynote to his book: "Businessmen, like nations, can no longer afford to practice isolationism." Any Society member knows the truth of this statement. Here it is applied to business law. The book covers every field in which law touches business or industry, and no management man today of any enterprise but what realizes the implications of such a statement. This book cannot be covered here in detail. Suffice to say it should be on every management man's list, to present to his legal counsel on the first suitable occasion.

THE MEANING OF WORK AND RETIREMENT, *by Eugene A Friedmann, and Robert J. Havighurst. University of Chicago Press. 197 pages. $3.75.*

Steel men, coal-miners, retail sales people, even physicians were interviewed over a two-year period by a five-man team before this book was written. It is a solid contribution to the understanding of retirement and its problems. It reports the results of a set of studies of the significance of work in the lives of every profession and type of workman, from the most technical to the least skilled. What are the likenesses; the differences? This book makes clear this growing, important subject, giving clearly the relation between the significance of work to people becoming older on a given job, and what their attitude and adjustments toward retirement may be expected to be.

PROFIT SHARING PATTERNS, *by P. A. Knowlton. Rand McNally & Company, New York. 144 pages. $10.50.*

This case study of profit sharing practices embraces a statistically adequate sample of three hundred companies, and offers an objective picture of how profit-sharing actually works. Many modern companies already have profit-sharing plans, and many more are either in the process of developing or studying their usefulness. A genuine bed-rock study by an authority whose background and research provides to modern management a guide as well as a series of case histories by which the growth and value of the whole profit-sharing field can be considered.

JOB EVALUATION METHODS, *by Charles Walter Lytle, M. E. The Ronald Press Company, New York. 507 pages. $7.50.*

This is the second edition of a book which first appeared in 1946, and since that time has become of great value to many levels of management men. It is written by a Professor of Industrial Engineering at New York University, but there is nothing purely academic about its approach. The methods by which jobs are evaluated are simply given, and brought up to date by this last edition, covering all the new methods and widespread practices now in current use. There is no space here to list the subjects covered, or to indicate the comparison made between current practice and the theories the first (1946) volume carried. Suffice to say the book should be on every good management man's shelf.

EMPLOYMENT OUTLOOK IN THE SOCIAL SCIENCES, *a booklet-brochure by the United States Department of Labor, in cooperation with the Veterans Administration.*

This particular booklet is part of the Occupational Outlook Series, which modern businessmen as well as labor leaders have found to be among the Department's most valuable contributions to modern management research problems. The booklet has four chief sections: Fields of Employment, Educational Requirements, Employment Outlook, Earnings. Actually, for modern management men, this booklet is basic reading for the fascinating statistical outlay that the other companion booklets provide. A good "starter" for reading this neat, clear, and highly valuable series.

THE FIFTH FREEDOM *(Freedom From Taxation), by Butler Sheldon, Jr. Library Publishers, New York. 111 pages. $2.75.*

This book is interesting. It presents in cold facts a completely new plan for national taxation. Called the Sheldon Plan of Free Taxation, it would propose to: 1. Discharge the National debt at once; 2. Produce a ten-year period of prosperity; 3. Reduce present taxes drastically; 4. Reduce corporation taxes drastically; 5. Reduce the work week to three and one-half days; 6. Return financial power to the states; 7. Reduce the expenditures of the federal government; 8. No inflation or deflation.

Needless to say, the book is tremendously provocative. A good gift for your latest tax-haunted industrial or business friend. Seriously speaking, a plan startling in its simplicity, already being given careful scrutiny by many sober students of today's weighty tax situation.

QUALITY CONTROL, *by Norbert L. Enrick. The Industrial Press, New York. 181 pages. $4.00.*

A manual of quality control procedure must be written to be useful and practical, beyond and above all theoretical considerations. The emphasis here is on clarity of directions and simplicity of methods. This is a second edition, with new text, tables, and charts, to give a more complete and fuller discussion of the various new developments in the Quality Control area. Many actual business and industrial examples, and many simple, concise directions. A good, plain, useful volume, easily understood by the management man at every level.

DEVELOPING MANAGEMENT ABILITY, *600 Questions And Answers, by Earl G. Planty, and J. Thomas Freeston. The Ronald Press Company, New York. 447 pages. $7.00.*

This book embodies the ideas and practices most common among successful management training men today, plus working techniques which the authors have evolved from working for some time in one of the great American industries. One of these training methods is new, called the Guided Experience Method, and is clearly outlined in this book for the first time. The questions, with their answers, were actually asked the authors by businessmen interested in establishing or improving training or development facilities within their companies, according to the authors, and should provide a tremendous insight into just what questions and answers today's successful management men are most concerned with.

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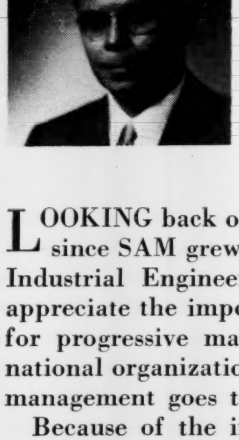
Annual Report

OF

THE SOCIETY FOR

ADVANCEMENT OF MANAGEMENT

1953-1954



ADVANCEMENT OF MANAGEMENT

LOOKING back over the progress made by the Society since SAM grew out of the merging of the Society of Industrial Engineers and the Taylor Society, we can appreciate the importance of our 58 Chapters as centers for progressive management. We have a coordinating national organization, but credit for the advancement of management goes to our Chapters.

Because of the importance of our Chapters, each is represented on the Board of Directors, which meets three times a year. At the closing Board Meeting the incoming Board coordinates its plans and recommendations for the coming year with the outgoing Board.

Important questions always await a meeting of the complete Board, but between Board Meetings problems go to the Executive Committee, a legally constituted body provided for in the Constitution and By-laws by the Board of Directors.

Major policy decisions are presented for consideration at the Spring Meeting of the Board. Chapter Officers, particularly the National Directors, can gain much by going over the Minutes of this meeting. The Minutes are detailed, and Chapter Officers should be able to see the excellent integration which takes place between the Chapters and the National organization. Objectives of the Chapters are considered foremost by the National Staff, resulting in the Chapters becoming strong and important centers of management in 58 business communities.

Regions: Though all Chapters are autonomous, regions are developing coordination between Chapters, enabling them to learn from each other. This past year Ohio Valley Chapters worked together to develop a regional organization. This is the third region to come to the National organization for official recognition.

Our National organization has one objective: to give service to our members and Chapters. This year several new national operations have proven their importance to our Chapters. A Vice President of Materials Handling was appointed, and accomplishments of his Division were beyond our expectation of a year ago. More than 30 Chapters have asked this Vice President for assistance with Chapter meetings and seminars. Our National Conferences as well as Regional Conferences have profited from his counsel.

This year SAM also added a functional division on Economics, and 12 Chapters in the Chicago and New York areas have already profited by the value of this division.

In the functional field of Industrial Engineering a new Vice President was appointed, and has helped many Chapters with their programs and also assisted Conference Chairmen. Other functional Officers can be assimilated into our Society, to provide even more service to members and Chapters.

Conferences: For several years the Society's two National Conferences have provided theme and ideas for regional conferences and Chapter seminars. This year a third National Conference was developed in the field of Operations Research, to meet the needs of our managements. Invitations were restricted almost exclusively to SAM members, but this Conference was well attended and indicates the necessity for the National Staff to develop conferences in new areas of interest. Our National Directors believe that such Conferences should be for the special benefit of our members, as was this year's third national conference.

Publications: This year we have several books to our credit—publications other than *Advanced Management*. An outstanding SAM book is *A Fair Day's Work*, which was the result of our continued research on the Performance Rating Films, directed by our Research Vice President and full-time Research Director.

Besides our Glossary of Industrial Engineering Terms, which greatly pleased SAM members, a more recent publication *Time And Motion Study In Collective Agreements* is also a credit to our Society.

Advanced Management has improved this year so that today our monthly publication has an impressive backlog of material by the best business writers, who want their papers to appear in this SAM publication.

Progress: Your Chapters had an outstanding year, and assistance from the National organization staff was excellent. The stimulation of working in SAM has been vital to all of us, not only in personal progress, but also in forwarding the objectives of SAM.

To establish objectives more clearly, and to encourage SAM members to develop into better managers, it was proposed to the Board of Directors—and it was unanimously accepted—that a fellowship be made available to one SAM member each year, covering expenses to the Middle Management Program at the Harvard Business School. A detailed announcement to the Chapters will be forthcoming, but briefly: a personal educational foundation will underwrite as much as $2,000 a year for the next three years to make this fellowship possible. If the program works out, the Harvard Business School and the Bruce Payne Foundation will extend the fellowship, underwriting beyond the three years. Other schools for management could be brought into the program if this first step proves to be as successful as is expected. A Committee of three from the Society will be appointed to work out the details for the fellowship. Qualifications of members selected must meet the objectives of the Harvard Business School program.

Management and executive development are basic objectives of our Society. It is hoped that this fellowship will put into even stronger focus the purposes of SAM.

BRUCE PAYNE

In ıe year just past, The Society pioneered both in the area of management philosophy and in the practical implementation of management theory. In pursuing this dual course, The Society for Advancement of Management was following its policy of maintaining the traditions first set forth by its founders, as well as being of service to the modern management field in a period of adjustment.

Changing conditions in politics, economics and technological improvements affected the world of management in widely different ways during the year 1953-1954. The Society, through its Chapters, moved to guide and advance the scope and causes of management.

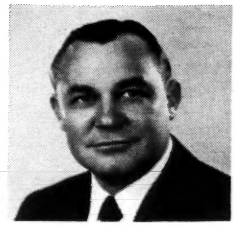
During the year there were three notable Conferences. The National Office services endeavored to draw the Chapters closer together. The Chapters themselves presented a picture of both learning in the broad sense and local community activity and service that was exceptional, and they were followed in action by the University Chapters. The Society's Publications were restaffed and revitalized. In these ways The Society did not hope to solve all of management's current problems, but aspired to open to forward-thinking management men those doors through which solutions might be found. In greater detail, the SAM 1953-1954 story goes something like this:

CONFERENCES

The pioneering tone best suited to The Society for Advancement of Management's annual activities was shown in one of its definitions, new this year and describing one of management's newer working areas:

"Operations Research is the exacting and critical application of the scientific method by scientists and subject specialists to the study of the basic laws governing a given operation. Its purpose is to give administrators a basis for predicting quantitatively the most effective results of an operation under given sets of variable conditions, and thereby to provide a sound basis for decision making."

This type of endeavor—the consistent effort to provide a guide for management—was characteristic of all the SAM Conferences. There were three: the General Management Conference, held October 29-30, 1953, at the Hotel Statler in New York City; the Operations Research Conference, held on January 29-30, 1954, and the Ninth Annual Time Study and Methods Conference, held in co-sponsorship with the American Society of Mechanical Engineers, Management Division, at the Hotel Statler on April 29-30, 1954.



Dr. C. A. Slocum, National Executive Director

The General Conference offered to the management field a wide scope of subject and speakers from which to choose. The Society's endeavor was to help the various branches of modern management to a better understanding of the problems that confront them in the present period of adjustment and change. To assist its members to cope profitably with new and complex situations. the Chapter-staffed Management Conference Committee assembled for this General Conference business and industrial leaders especially equipped with extensive experience in developing new approaches to challenging management problems.

In its constant effort to add effectiveness to its information, The Society created for this particular Conference the Problem Parlor.

So far as The Society knows, the Problem Parlor feature was unique. Each management man with a specific problem was enabled to obtain personal advice in a smaller room adjacent to the main Conference Halls. There specialists were available for consultation. The consultations were scheduled in advance and were a planned feature of the meeting, which had an over-all double-session program.

In the first day of the General Management Conference, speeches touched upon such topics as the controversial problem of why companies fail to get the most out of their executives; the resistance to change, new ideas and new products; accomplishment of management's objectives through effective organization and the necessity for organization that is flexible enough to adjust to the many dynamic forces affecting planning and programming.

The over-all aim of the conference subjects clearly outlined the necessity for management to concentrate on the training of the individual in the functions of management, beginning with the young executive's college years, with appropriate apprentice assignments in business and trade or industry, the emphasis being on management's meeting the public in person and speaking to them in a language of common understanding and mutual confidence.

It was brought out clearly in discussion that for some time there has been a recognition of the need of more effective communications between management and employee. Several experts were concerned with this subject. Virile ideas were advanced concerning communications plans which would help management men to disperse ideas concerned with employee and company cooperation.

The dangers of management specialization were touched upon, with emphasis on the risk many business enterprises take by narrowing their reserve of executive manpower to the sole category of specialists, and giving all too little attention to the development of the all-round administrative management man.

The growing role of science teams in the realm of management decision-making was covered in three speeches by specialists in this area.

New training and development procedures to build management flexibility and improve organization performance was a topical point well covered in the speeches.

Other speeches given were concerned with self-help techniques for management improvement and methods by which a company can make it easier for its employees to improve themselves. Ways to achieve streamlined reading which help to step up both the rate of reading and comprehension were stressed as a facet in helping to bring real advancement in management communications.

The Operations Research Conference directed by Dr. C. A. Slocum, SAM's National Executive Director, covered a wide area, geographically and methods-wise, with a detailed outline of Operations Research accomplishments in America and in Great Britain presented in addition to a coverage of research in industry.

The Society itself created the definition for Operations Research that opens this section of the Annual Report.

A discussion of Case Histories in the accomplishments of Operations Research in the areas of Production and Finance was sparked by speakers with specific experience in these fields.

Research Techniques as used in the fields of design and linear programming, with case illustrations, held the interest of a large group of management men as symbolic logic, decision theory, and information handling were discussed in detail.

The Operations Conference ended with a spirited discussion on Administration of Operations Research conducted by qualified men in the various areas of management problems.

The Operations Research Conference was itself a unique departure in a number of ways. Except for a number of previous, smaller local conferences, insofar as The Society knows this Operations Research Conference was the first gathering to bring together actual operations research technicians and the executives in business and industry who needed and would use the methods and techniques developed by the operations research teams or individuals.

The Operations Research Conference, (or Opsearch Conference, as it came to be known) was again unique for its over-all enthusiasm. There was an immediate response to the idea and to the program itself, followed by urgent requests in many quarters that the Conference become an annual event.

The SAM-ASME Conference on Creative Time Study and Methods covered the problems confronting management in both public and private enterprise, and clearly indicated the complicated and constantly changing aspect of this area, and the necessity for a creative approach to meet the challenge to management's future progress. Those business and industrial factors which sparked the ideas behind the other two previous SAM Conferences were particularly in evidence at this meeting. The demonstrated use of *creative* intelligence as the surest path to the common goal of full productivity in modern American business and industry, was forcefully pointed up throughout this 1954 Time Study and Methods Conference.

FINANCIAL

This year's financial status reveals that the staff of the National Office has kept well within the financial budget set up by the National Officers a year ago, and administered by John B. Joynt, Treasurer. This has included an increase in our selective national-office mailing list. Mechanics for the continued improvement of office procedures are being studied and recommendations will be made for adoption as soon as possible.

John B. Joynt, Treasurer

At last Fall's Annual Conference (The Society's traditional general management conference), in spite of an excellent, high-level program, the attendance was considerably below the average for recent past years. The contributions by speakers and participants will stand as a monument to The Society's objectives and achievements.

The Operations Research Conference, with all the programming and cost control centered in the National Office, was successful in netting the greatest excess of income over expenditures of any conference in The Society's history. This was due largely to the Committee's authority vested in the National Office to control expenditures.

The Proceedings of this particular Conference have been produced in the National Office at cost, and are available by papers, series, or complete proceedings. The cost of this Proceedings, having been done completely within the facilities of the National Office, was approximately 25 per cent of the usual cost of conference Proceedings.

So it appears that here, to judge by the current demand, The Society will undoubtedly make additional income.

The sale of Rating Films and research publications has been included in the Research Program. One of the publications which has been on sale for a year, *The Glossary of Terms*, proceeded well into a second printing.

The proceeds from the sale of films have supported entirely the whole Research Program, including salaries and overhead expenditures. This means, then, that financially the Research and Development Division of The Society has supported itself, costing the dues-paying members of SAM nothing.

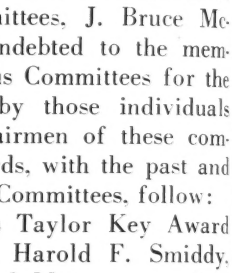
Another financial matter which has been under consideration for some time is the handicap involved in the fact that there were no funds approved for travelling expenses for the Nominations Committee to facilitate its meetings. As a result of the difficulties experienced this past year, there has been approved by the Board of Directors funds for travel expenses for the Nominating Committee, to enable them to foregather to discuss the nomination of National Officers.

Finally, the Management Code of Ethics has a grant which has been approved, of $1000 for clerical expenses only. A researcher in this area is operating at no expense to The Society.

SAM AWARDS

Particularly heartening was the vigorous interest shown on the part of all Chapters during the 1953-54 year in the various Society Awards. Co-ordinator of all awards committees, J. Bruce McNaughton, feels indebted to the members of the various Committees for the fine work done by those individuals who acted as Chairmen of these committees. The Awards, with the past and new Chairmen of Committees, follow:

The past year's Taylor Key Award was presented to Harold F. Smiddy, Vice President and Management Consultant of Services Division of General Electric Company of New York, in the Fall of 1953. Chairman of that Committee was Carl E. Anderson, General Manager of All Plants, E. R. Squibb & Company. The new Chairman of the committee is A. J. Bergfeld, partner of Stevenson, Jordan, Harrison, Inc., and the new Committee is already functioning to select next year's Award nominee.



J. Bruce McNaughton, Awards Committee Coordinator

The Human Relations Award went to Donald Comer, Chairman of the Board, Avondale Mills, Birmingham; the Committee's Chairman was Carl Seymour of Pittsburgh, former National Executive Director of SAM. The new Chairman is Fred E. Harrell, Manufacturing Vice President of Reliance Electric and Engineering Company, Cleveland.

The Industrial Incentives Award was headed by A. L. Bernd, Assistant to Vice President in Charge of Manufacturing, P. R. Mallory & Company, Indianapolis; the recipient was Eugene J. Benge, President of Benge Associates, Asheville, N. C.

The Gilbreth Medal for 1954 was awarded by the Committee headed by Leland Hobson, Professor of Industrial Engineering and Assistant Director of the Engineering Experimental Station of Kansas State College. This Award went to Dr. Craig L. Taylor, Professor of Engineering, the University of California, Los Angeles.

In the year from July 1, 1953 to May 31, 1954 (the figures below cover this time), the various Chapters of The Society for Advancement of Management showed renewed interest in Performance. The figures are the tallies for the eleventh month — the twelfth and final month's point figures are held until announcement of the award is made:

CHAPTER PERFORMANCE AWARDS PLAN

July 1, 1953..... May 31, 1954

CHAPTERS	POINTS	CHAPTERS	POINTS
*Worcester	22,118	Richmond	5097
*Kansas City	21,727	Greenville	5047
Lancaster	12,917	Western Mass.	5038
W. N. Carol.	10,666	Atlanta	4880
Clearing	8980	Madison	4817
Trenton	8964	Boston	4761
Raritan Valley	8920	Reading	4390
New Haven	8209	Manchester	4289
Nashville	7687	Cleveland	4241
N. New Jersey	7660	Fox Valley	4109
Pittsburgh	7640	Indianapolis	4052
Baltimore	7205	St. Louis	3973
Central Penn.	7092	San Francisco	3762
Dallas	6930	Central N. Y.	3695
Portland	6655	Chicago	3176
Milwaukee	6594	Washington	3176
Alabama	6484	Sacramento	2431
Montreal	6447	Wilkes-Barre	2209
Columbus	6378	New York	1954
Greensboro	6207	Charlotte	1559
Philadelphia	6154	Twin City	1399
Hudson Valley	6125	Bridgeport	910
Binghamton	6032	Los Angeles	486
Lehigh Valley	5901	New Orleans	304
Detroit	5818	Louisville	248
Wilmington	5490	Dayton	50
Knoxville	5471	Stamford	50
Providence	5400	Calumet	—
Hartford	5172	Cincinnati	—

*Final count not in for Worcester and Kansas City.

MATERIALS HANDLING

The new national Materials Handling Division, directed by Donald W. Pennock, vice president of Materials Handling Division, was created in June, 1953, in response to demands for additional programs in this increasingly important area of management. Actually,

Donald W. Pennock, V. P. of Materials Handling

only a small number of persons appeared at the time to be interested in the promotion of MH programs before local meetings of the membership. In fact, occasional cursory appraisals had indicated that the profession was apparently well serviced by other Societies, and that the entry of the Society for Advancement of Management into the materials handling field might somewhat disturb these other interests. There was even a possibility that an improper entry might result in minor retardation of the over-all national effort to promote MH education, and to build up the strength of the profession in America.

In this atmosphere of doubt and hesitation, the Society sought to determine its responsibilities and future place in the materials handling picture.

Out of the Society's investigation a general feeling was born that while a new Division was warranted, a very mild and conservative approach into MH activities should be made by it during its first year of operation. There was no indication at the time of the fervent enthusiasm and support that was to be forthcoming from the SAM membership. Accordingly, it was resolved that a small minority of the membership would receive national aid in the promotion of the management aspects of materials handling. Closer association and cooperation with existing agencies of the materials handling profession would be fostered. Approximately five local MH programs would be promoted by the national group during the first fiscal year of the new Division.

The membership acceptance of the new operation, and its interest in receiving various program aids was such, however, as to render the above conservative approach invalid almost at once.

The national unit was forced to move promptly into its new area of specialized activity. Local chapters were briefed and their assistance sought. MH subjects of national interest were referred to each, together with suggested methods of program presentation. Listings were distributed to contacts in U. S. areas where intense MH activity had been indicated. Speakers and programs were recommended and supplied to various chapters.

A complete set of the policies, objectives and scope of operations of the new Division was prepared and published. This policy release was followed immediately by a general effort to secure the aid of national and local men of AMHS, ASME, and SIPMHE to present cooperative MH programs with SAM and otherwise to aid the SAM local membership in the effort to crystallize its year's educational program.

The reaction of other Societies to the request of SAM for help in launching its new Division dispelled completely the shrouds of fear that had prevented SAM from specifically servicing its minority MH faction. Messrs. Loberg of ASME, Smith of AMHS and Candell of SIPMHE quickly expressed their willingness to cooperate, and they and their men deserve the heartiest approbation of the profession for the outstanding cooperative programs presented this past year.

This totally unexpected enthusiasm in programming the management aspects of materials handling has also exhibited itself in other phases of operation of the new Division. Society personnel are taking active interest in certain MH standards work, educational contributions, commercial and mercantile shopping center executives in MH management activities, effects of such management practices as rental versus ownership of MH equipment, graduating more MH engineers, and myriad other activities that this Division embraces.

Above all else, the successful entry of SAM's new Division into the materials handling picture of America is a real and definite indication that the profession is coming of age. It has given an impetus to the movement of the key Societies to rally together, and has provided a powerful new reason for meeting regularly with one another to seek their common goals of growth through cooperative promotion of the profession as a whole.

It has created a means of enabling men to keep the technical and management phases of materials handling education abreast of each other, and of bringing management closer than ever before to understanding the work and dreams of the MH technician and engineer. It is SAM's great hope that it can serve to help materials handling men of all interests to find many more areas of agreement as the profession grows.

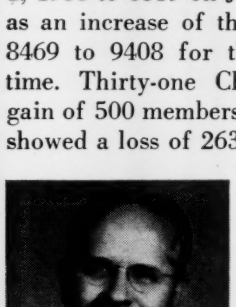
CHAPTER MEMBERSHIP STANDING

August 1, 1954

CHAPTER	TOTAL	CHAPTER	TOTAL
New York	399	Wilmington	65
Northern N. J.	394	Hartford	64
Philadelphia	319	Reading	63
Cincinnati	306	Providence	62
Chicago	282	Charlotte	61
Cleveland	268	Columbus	59
Pittsburgh	234	Lehigh Valley	59
Lancaster	217	Central Penn.	58
Detroit	213	Alabama	56
Boston	209	St. Louis	56
Washington	202	Bridgeport	53
Milwaukee	151	Clearing	50
Los Angeles	148	Knoxville	50
San Francisco	143	Western Mass.	49
Worcester	142	Calumet	47
Dallas	127	Central New York	45
W. N. Carolina	115	Greenville	44
Raritan Valley	109	Sacramento	43
Indianapolis	101	Manchester	39
Kansas City	100	Fox Valley	37
Hudson Valley	98	New Orleans	37
Montreal	94	Twin City	37
New Haven	94	Louisville	36
Baltimore	93	Portland	35
Greensboro	88	Wilkes-Barre	31
Binghamton	85	Madison	29
Dayton	84	Nashville	29
Atlanta	68	Stamford	19
Trenton	68	Non-Resident	80
Richmond	68	Non-Chapter	101

MEMBERSHIP REPORT

During the past year there was an increase in membership of the Chapters, directed by Vice President Harold Fisher, Professor of Economics and Business Administration, Franklin College, Lancaster, Pa., from 6352 on July 1, 1953 to 6589 on July 1, 1954, as well as an increase of the grand total from 8469 to 9408 for the same period of time. Thirty-one Chapters revealed a gain of 500 members, while 25 Chapters showed a loss of 263.



Harold Fischer, Vice President, Membership

This year's membership campaign began by sending to the Chapters the recommendations the Vice-President for Membership had submitted, which were approved by the Executive Committee in June. All recommendations were followed insofar as the national office was involved.

The membership application blank now provides for the name of the sponsor, the membership card contains the name of the member, company and location, signature of the national president and the signature line for the member. Membership cards of new members are now sent to the appropriate Chapter officers for distribution to the new member. The "Booster Club" was organized to give recognition to members who brought into the Society five or more new members during the year. Special membership cards were forwarded to these members upon receipt of statement of eligibility from the Chapter president.

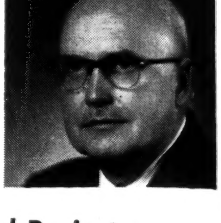
Relative to the recommendations involving the local Chapter — all were stressed in periodic communications. Chapters were urged to set up a specific membership organization plan, to develop contests, organize teams, publish team standings in monthly news bulletin, award prizes, and glamourize the reception of new members. Particular attention was paid to securing the support and participation of top management, cooperating with the local Chamber of Commerce or Manufacturers' Association and diversifying the program and "membership mix" of the individual Chapter. Emphasis at local level was placed on personal contact rather than memos and routine form letters.

Again, at the local level, it is desirable, if not essential, that the Chapter president consider that the office of local Membership Chairman be appointive rather than elective. Often the time and effort demanded of this particular function require a positive type of person with such particular qualities suited to a particular community, that only the president of the local Chapter can adequately judge. However, the over-all effort should remain the scheme of each member's adding a member to the local SAM roster.

On the basis of reports submitted by Chapter presidents, five members of the Pittsburgh chapter have earned membership in the "Booster Club," while Lancaster and Kansas City each have three members, and Worcester and Hudson Valley follow with two members each.

RESEARCH

The Society's Research Program, under Ralph C. Davis, vice president of Research and Development Division, in the past year was marked by the completion and publication of two projects, substantial progress in three others, and the formal adoption and activation of three more. Current research projects are in the following fields: office standards; management ethics; aptitude testing for time study personnel; management of distribution; non-financial incentives; personnel management and industrial relations. Twenty-eight Society Chapters are represented on current committees.



Ralph C. Davis, V.P., Research & Development Divisions

Completed Projects:

The Rating of Time Studies Report condensed and digested by Dr. Vincent A. Flynn, SAM Director of Research, was completed during the year and published under the title, *A Fair Day's Work*. Its three sections contain: 1. A detailed statistical analysis of the hundreds of thousands of individual and company ratings from which the composite-time values of the SAM Performance Rating Films were derived; 2. The Manual of Instructions for use with the SAM Films; 3. Step-by-step instructions for making rating films. Published in the last week of April, *A Fair Day's Work* is rapidly gaining a wide readership.

The most recently completed project

MEMBERS OF THE BOOSTER CLUB

June 1, 1954

Membership is in recognition of the individual's significant contribution to the growth of the Society. Five or more new members were secured during the year.

Member	Chapter
Aungst, R. W.	Pittsburgh
Bulnes, William	Hudson Valley
Byron, Percy G.	Worcester
Carter, Vera	Kansas City
Chapel, R. J.	Pittsburgh
Coffman, O. M.	Kansas City
Fox, William N.	Lancaster
Henrici, S. B.	Pittsburgh
Holmstrom, Andrew B.	Worcester
La Tour, Frank G.	Hudson Valley
Muther, Richard	Kansas City
Quinn, Thomas S. Jr.	Lancaster
Rockwell, J. H.	Pittsburgh
Rose, Charles T.	Lancaster
Wise, D. N.	Pittsburgh

involv d compressing and editing for SAM ublication an exhaustive research on ma agement-union contracts bearing on tin and motion study. The research had ! en made out of the Wharton Schoo of Finance and Commerce, Universit of Pennsylvania, by Dr. G. Jay Anyon Published under the title, *Collectiv Agreements on Time and Motion Study* this document analyzes more than three hundred separate types of stipulations—from 1946 to the present, and throughout a broad sampling of American industry—in their working relationships to the seventeen basic aspects of time and motion study. The volume is a finger-tip reference for personnel

Dr. Vincent A. Flynn, Director of Research

executives, union officials, production managers, industrial engineers, foremen, and labor-relations scholars interested in the design, interpretation and successful implementation of collective agreements in the field of work measurement.

Two previously published SAM projects—the Performance Rating Films and the "Glossary of Terms Used in Methods, Time Study and Wage Incentives"—continued to gain endorsement in practically every corner of the free world. (A recent purchaser of the films is a company in Northern Rhodesia.) In February of this year the "Glossary" was adopted by the National Office Management Association as a NOMA Office Standard.

Current Projects:

Office Standards. A considerable number of proposed standards were accepted for processing by the eighteen professional organizations collaborating on this project. Finalized standards are published by the National Office Management Association. The over-all aim of this project is to formulate American standards applicable to the broad function of managing and operating an office. Standardization includes dimensions, quality, performance characteristics, methods of testing, nomenclature and still other aspects for office equipment, papers, forms, records, procedures, supplies and machines. SAM is represented on the Sectional Committee of the American Standards Association Project on Office Standards.

Management Code of Ethics: With the metal-trades industries selected as a representative sample of American industry, substantial progress was made in analyzing factual information on the nature, force and effect of management codes, or other statements, that have been adopted by business organizations for the guidance of their executives in the conduct of business relations.Field studies and statistical analyses are being made by the Bureau of Business Research, College of Commerce and Administration, Ohio State University, under direction of the SAM Chairman of the Management Code Project. Policy recommendations will be developed from this information. The immediate objective of the project is to assist management leadership in using ethical codes or statements toward sounder growth of business relations both within and outside the organization. The ultimate objective is, of course, greater confidence of the general public in our system of private enterprise.

Aptitude Testing for Time Study Personnel: A questionnaire carrying one hundred items on the specific duties and responsibilities of time study personnel, and asking for degree of participation in each function listed, was answered by industrial engineering executives from approximately three hundred plants throughout the U. S. and Canada. The answers are being tallied under type of industry, geographic location, and so on. This tally will be followed by item analysis as a further step in the determination of job content among time study personnel in the sample drawn.

Management of Distribution: A preliminary procedure on this project was approved by the National Research Committee at its April meeting. Action has begun on the initial phase of research which will entail going to selected types of industry to determine their major difficulties in distributive management. This inquiry will give shape to succeeding research in the field. The basic objective of the project is to assist industry in the concrete application of the principles of scientific management to problems of modern distribution.

Non-financial Incentives: The National Research Committee approved the project in April. Plans are already in action to collect fifteen case histories of non-financial incentives where use is made of the principle of "feed-back" of performance information through electronic computers. The data will be studied for common pattern or other structure, in order to provide determinants for expanded research in the area.

Glossary of Terms in Personnel Management and Industrial Relations: Approved in October, this project is close to completion of its committee organization. Many of the nation's foremost authorities in personnel management and industrial relations have agreed to serve actively.

Chapter Suggestions for National Research: Suggestions for research on a national level were made during the year by representatives of the following SAM Chapters: Hudson Valley; Dallas; Western North Carolina; Central New York; Detroit; New York; Washington. The National Research Committee has under consideration proposals for research in the following areas:

Case studies on the art of maintaining unity and teamwork among upper level executives in an organization.

Accessibility of small business to the thinking and techniques of advanced management.

Approaches or guide lines, based on scientific management, which can help our makers of public policy decide when to turn to private enterprise and when to use government-operated plants for research and development, manufacturing, etc.

Development of better tools for supervisory selection.

The relationship of "paper-work" to "physically productive effort" in large organizations.

A basic format for the application of work-simplification techniques to hospital administration.

The implications of the guaranteed annual wage.

A study of the economic, sociological, psychological and other problems involved when an industry moves from one area to another.

A study of the mathematics of inventory management.

At what age does an employee cease to be functional? (The rationale of current retirement-age policies.)

What incentives available to managerial personnel in large business enterprises are wanting in government and how can more of them be made available to career executives in the Federal service?

A study of vocational and trade school training in its broad aspects as a means of sustaining existing industries as well as preparing for the manpower needs of new and expanding industries.

ECONOMICS PROGRAMS ORGANIZATION

As the newest addition to The Society's expanding activities, the Economics Program, directed by Robert H. Laws, has been most favorably received by the membership since its inauguration in September of last year (1953).

Recognizing the central interest of

Robert H. Laws, Economics Program Director

management in the understanding of economic principles and processes, The Society is developing a program designed to stimulate continuing discussion of the nature and functioning of a free economy. More specifically, the program has been conceived to include:

1. The sponsorship of an "economics for management" roundtable to be conducted in local SAM Chapters throughout the United States;

2. Assistance to local Chapters in the development of programs and activities of economic interest, such as the "You Be The Boss" Contest of the Milwaukee Chapter;

3. Presentation of articles, book reviews and other items of economic interest in the publications of The Society, particularly in ADVANCED MANAGEMENT;

4. Assistance to the membership in providing information about a wide variety of economic education programs sponsored by business firms, universities, foundations, and others; and

5. The development of qualified conference leaders for the Economics Roundtable Program in our local SAM Chapters.

Heading this new activity as Director of Economics is Robert H. Laws, formerly economics professor at various leading Universities. A national advisory committee for the economics program is under the chairmanship of Edward W. Jochim, past president of SAM, who has played a significant role in the development of the program. Others on the advisory committee include Dr. Raymond Moley of NEWSWEEK, Dr. Joseph W. Towle of Northwestern University, John Burger of General Mills, Joseph W. Page of Atlas-Boxmakers, David C. Lincoln of Sperry Gyroscope, John Imhof of General Electric, and James E. Newsome of Johnson and Johnson. This committee will be expanded in the near future to include representatives from our southern, southwestern, and western Chapters.

The Economics Roundtable Program, financed by a 3-year grant established by the Lincoln Foundation, has, since its beginning nine months ago, been sponsoring as its major activity a series of ten meetings of two hours each in which there was organized but informal discussions of economic principles and problems led by The Society's Director of Economic Programs. A total of ten Roundtables has been conducted in the following Chapters: two groups for the Chicago Chapter; one each in Milwaukee, Stamford, New York, Northern New Jersey, Bridgeport, New Haven, Trenton Chapters, and a special Metropolitan group at National SAM Headquarters. These groups are limited to fifteen participants each, represent approximately 100 meetings or more than 200 hours of Roundtable discussion.

The broad interests of the SAM membership in the discussion of economics is revealed in some of the topics considered in these Roundtables, as follows:

1. The nature of economics and economic activity;

2. The natural, human, and capital resources of the economy;

3. Principles governing basic processes of production, exchange and consumption;

4. The importance of capital formation;

5. The role of prices in our economy;

6. The problems of inflation and of deflation;

7. The Nature and function of profits;

8. Incentives in the American economy;

9. Problems of labor-management relations;

10. Taxes, spending, and debt;

11. Future growth and expansion of the economy.

The response of the more than 150 participants in these informal discussion groups has been most encouraging and leads to the conclusion that the Economics Roundtable is a welcome addition to local Chapter programs. The fact that most all of the Chapters where the Roundtable has been introduced are now planning to continue the program next year is its own best evidence of acceptance.

Future Plans. While the economics program, and particularly the Economics Roundtable, has been introduced to only ten of our 59 Professional Chapters, it is certain that a sound beginning has been made and that future prospects for growth are encouraging. During the coming year our major goals will include:

1. The conduct of the Economics Roundtable in 16 additional Chapters.

2. The continuation of the Economics Roundtable in those Chapters already familiar with the program.

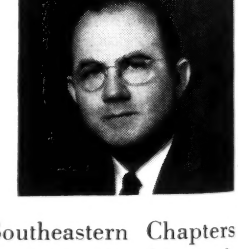
3. The preparation of a conference leader's guide for use by Chapters in connection with the discussion of economic principles and problems.

As announced at the Spring Conference, local chapters desiring to participate in next year's program have been accepted on a "first come, first served" basis.

Within the next year or two, it is anticipated that all chapters will be personally acquainted with the Economics Roundtable program. It is certain that the program recognizes a vitally important aspect of management development and leadership, and that SAM has demonstrated leadership in its sponsorship of this activity.

THE SOUTHEASTERN REGION

Our program for the Southeastern Region, headed by Rhett Ball, Regional Vice President, encompassed, generally, six objectives or goals. These objectives, together with some of our accomplishments, are listed below:



Rhett Ball, Regional Vice President

1. The eight Southeastern Chapters wanted to increase the membership both for the Region and of the individual Chapters.

In this connection five out of the eight Chapters showed an increase in membership. For the most part this in-

crease took place in the older Chapters. The over-all increase in membership in the area was in line with the National picture.

2. It was our desire to see the weakest Chapters in the area strengthened by way of better programs, increased membership and more local interest.

We were pleased to see that one Chapter in our Region, whose membership had declined to a marginal figure, was able to increase its membership approximately 25 per cent, which provided this Chapter with a satisfactory margin.

3. We wanted to stimulate a reawakening of interest in the older Chapters in the area who, for the last few years, have been going along on a modest but even scale.

The four oldest Chapters in the area, this year, had much broader programs than in the previous years. In addition to this, the membership of these Chapters was increased from 12 per cent to 25 per cent.

4. Through an interchange of information between the Chapters, it was our aim that the Chapters would have broader programs—programs of more interest to the people in the area where the Chapter is located.

Almost without exception, most of the 8 Southeastern Chapters showed much more activity throughout this year than in any previous year. This increase in the volume of activity came about as a result of the interchange of information by officers and directors of the various Chapters who, through meetings, were able to utilize projects which had proved to be of value to sister Chapters.

5. The Southeastern Chapters wanted to repeat the success of the first Regional Conference which was held at Asheville.

Our Second Regional Conference was again held at Asheville. It included a program of quality comparable to the previous year. More effort and money was spent this year in promoting the conference. The attendance at the Second Regional Conference was almost exactly the same as it was at the First Conference and this was in face of the fact that conferences, generally, throughout the country, have been down in attendance.

6. We were particularly anxious to submit better prepared brochures to support our nominees for National awards.

Due in part to our efforts to submit better prepared brochures to support our nominees for National awards, the Southeastern Region had two of its members designated as recipients of National awards. These were the Human Relations Award presented to Mr. Donald Comer of the Birmingham Chapter and the Industrial Relations Award presented to Mr. Eugene Benge of the Western North Carolina Chapter.

UNIVERSITY CHAPTERS

One notable and encouraging sign of The Society's progress during the past year was the interest shown among that important element of the management future: college and university students who plan to enter the management field. The growth here, directed by vice president Dr. Ralph Jacobs, vice president of University Chapters, was positive and notable: SAM University Chapters grew in number from 65 to 85. The following is a listing of the present SAM University Chapters:

Alabama Polytechnic Institute
American University
Antioch College
Babson Institute
Carnegie Institute of Technology
Case Institute of Technology
City College of N. Y.
Clarkson College of Technology
De Paul University
Drexel Institute of Technology
Duquesne University
Georgetown University
Georgia Institute of Technology
Indiana University
Johns Hopkins University
Kent State University
Louisiana Polytechnic Institute
Mississippi State College
Newark College of Engineering
N.Y. University, Dept. of Ind. Engr.
North Carolina State College
Northeastern University
Northwestern University
Ohio State University
Oregon State College
Pennsylvania Military College
Pennsylvania State College
Purdue University
Rensselaer Polytechnic Institute
Rhode Island State College
St. Johns University
Hudson College—St. Peter's Bus.
Seton Hall College
Southern Methodist University
Syracuse University
Temple University
University of Alabama
University of Baltimore
University of Bridgeport
University of California at Berkeley
University of Connecticut
University of California at L. A.
University of Florida
University of Richmond
University of Pennsylvania
University of Southern California
Boston College
University of Toledo
Western Reserve University
Woodbury College
University of Tennessee
University of Wisconsin
Boston University
Los Angeles State College
St. Josephs College
Rutgers University of New Brunswick
University of Illinois
University of Minnesota
Hofstra College
Lawrence Institute of Technology
University of Puerto Rico
University of Maryland
St. Louis University
Michigan State College
University of Oklahoma
College of William & Mary
Tulane University
Loyola University at New Orleans
University of Dayton
University of Georgia
Loyola University at Chicago
LaSalle College
North Texas State
University of Pittsburgh
Emory University
West Virginia University
State University of Iowa
Butler University
Ohio University
Fenn College, School of Bus. Adm.
University of Miami
University of Missouri
Tennessee Polytechnic Institute
Franklin & Marshall College
Rider College of Bus. Adm.
Southern Technical Institute

In Respectful Memory of
MYRON H. CLARK, President, SAM, 1939-1941

The membership of The Society acknowledges its debt of gratitude to Myron H. Clark, the only one of its past presidents to have passed on. From the renewed strength he infused into the traditions of The Society, many of today's achievements have stemmed.

Mr. Clark, who died August 30, 1953, at the age of 72 years in Concord, Massachusetts, was an Honorary Life Member of The Society for Advancement of Management.

Mr. Clark was also active in many professional and cultural groups, among them the American Society of Mechanical Engineers, The American Academy of Political and Social Science, The American Arbitration Association, and the University Clubs of New York and Boston.

In the past Mr. Clark had been associated with the Johns-Manville Corporation, and in 1927 he organized the Boston management consultant firm which bears his name.

FIRM MEMBERS OF SAM

No summary, more than a listing, could explain the growing prestige of The Society for Advancement of Management better than a review of the American companies who maintain their interest in management philosophy and practice by a membership in SAM. Here are those firms:

A

Acme Chain Corporation
Acme-Hamilton Mfg. Corp.
Affiliated Gas Equipment, Inc.
Aircooled Motors, Inc.
Albany Felt Company
Albermarle Paper Mfg. Co.
Albers Super Markets, Inc.
Aldens, Inc.
George F. Alger Company
Allegheny Ludlum Steel Corp.
Allied Chemical & Dye Corp.,
General Chemical Div.
Nitrogen Div.
Allis-Chalmers Mfg. Company
Aluminum Company of America
Aluminum Company of Canada, Ltd.
Aluminum Industries, Inc.
American Abrasive Metals Co.
American Airlines, Inc.
American Cyanamid Company,
Calco Chemical Div.
American Enka Corp.
American Forging and Socket Co.
American Laundry Machinery Co.
American Machine & Foundry Company
American Mutual Liability Ins. Co.
American Pad & Textile Co.
American Pipe & Construction Co.
American Tag Company
American Tool Works Co.
American Trust Company
American Viscose Corp.,
Sylvania Div.
American Zinc Co. of Tennessee
A. M. I., Inc.
Ampco Metal, Inc.
Anchor Hocking Glass Corp.
Anderson Brass Works
Anheuser-Busch, Inc.
Ansul Chemical Company
Charles Antell, Inc.
Anvil Brand, Inc.
Appleton Coated Paper Company
Argus Cameras, Inc.
Armco Steel Corp..
Rustless Iron & Steel Div.
Armour and Company
Armstrong Cork Co.
Arvin Industries, Inc.
Arwood Precision Casting Corp.
Atlantic Refining Company
Atlas-Boxmakers, Inc.
Atlas Mineral Products Co.
Auburn Button Works, Inc.
Autograf Brush & Plastics Co., Inc.
Avondale Mills

B

Baird Associates, Inc.
Baldwin-Hill Company
Baltimore Life Insurance Co.
Bank of America N. T. & S. A.
Barnes Textile Associates, Inc.
Barre Wool Combing Co.
Barre Wool Combing Co., Ltd.
Barrington Associates, Inc.
Bausch & Lomb Optical Co.
Beacon Mfg. Co.
Beckett Paper Company
Behr-Manning Corporation
Belk Brothers Company
Bell Telephone Laboratories, Inc.
Bendix Aviation Corporation,
Bendix Radio Div.
Friez Instrument Div.
Berkshire Knitting Mills
Beryllium Corporation
Bethlehem Steel Company
Better Brushes, Inc.
Bigelow-Sanford Carpet Co., Inc.
Billings and Spencer Co.
Binghamton Container Co., Inc.
Bird Machine Company
Birdsboro Steel Foundry & Machine Co.
Black-Clawson Co.
Black, Sivalls & Bryson, Inc.
Blue Bell, Inc.
Blue Ridge Manufacturers, Inc.
Borden Company,
Chemical Div.
Brewer-Titchener Corporation
Brewing Corporation of America
Bridgeport Machines, Inc.
Bridgeport Rolling Mills
Broadway-Southern California
Brockway Glass Co., Inc.
Brookshire Knitting Mills, Inc.
Brown Fintube Company
Buckeye Foundry Company
Buitoni Foods Corporation
The Bullard Company
Burlington Mills Corporation
Burndy Engineering Company
Burroughs Corporation

C

Calvert Distilling Company
Cambridge Tile Mfg. Co.
Camillus Cutlery Company
Canadair, Ltd.
Canadian Car & Foundry Co., Ltd.
Canadian Ingersoll-Rand Co., Inc.
Cannery Workers & Warehouseman's Union
Capital Transit Company
Carbide & Carbon Chemical Company
Carbon Malleable Casting Co.
Carolina Metal Products, Inc.
Carpenter Steel Co.
The William Carter Company
Casco Products
Catalin Corporation of America
Caterpillar Tractor Company
Celanese Corporation of America,
Plastics Div.
Central Trust Company
Chadbourn Hosiery Mills
Champion Paper & Fibre Company
Cherokee Textile Mills
Chesapeake & Ohio Railway Co.
Chesapeake & Potomac Telephone Co.
Chesapeake & Potomac Telephone Co.
of Baltimore City
Chicago Screw Company
Cincinnati Gas & Electric Co.
Cincinnati Gear Company
Cincinnati Gilbert Machine Tool Co.
Cincinnati Industries, Inc.
Cincinnati Milling Machine Co.
Cincinnati Shaper Company
Cincinnati Time Recorder Company
Clark Grane Vault Company
Cleanser Products, Inc.
Clearing Industrial District, Inc.
Clearing Machine Corporation
Clearwater Finishing Co.,
Old Fort Div.
Cleveland Electric Illuminating Co.
Climax Molybdenum Company of Penna.
Clopay Corporation
Cluett, Peabody & Co., Inc.
Cold Spring Bleachery
Colgate-Palmolive-Peet Co.
Colorado Fuel & Iron Corporation
Combustion Engineering, Inc.
Comfy Manufacturing Company
Commercial Investment Trust Corp.
Commercial National Bank
Congress of Industrial Organizations
Conmar Products Corporation
Consolidated Gas & Electric Light & Power Co.
Container Company
Continental Can Company
Continental Foundry & Machine Co.
Joseph M. Cook and Staff
Cooper Alloy Foundry Company
Cooper Alloy, Stainless Eng. & Machine Works
Corn Products Refining Company
Coro, Inc.
Corrigan, Osburne & Wells
Cranston Print Works
Creole Petroleum Corporation
Croname, Inc.
Crosley Corp. (AVCO Mfg. Co.)
Crouse-Hinds Company
Crystal Ice & Cold Storage Co.
Cullom & Ghertner Company
Curtis Lighting, Inc.

D

Dan River Mills, Inc.
Dapol Plastics, Inc.
Darling & Company
Dave Steel Co., Inc.
Davison Chemical Corp.
Dayton Rubber Company
Deering Milliken Service Corp.
Delmonico Foods, Inc.
Dempster Brothers, Inc.
Dennison Mfg. Company
Diamond Brothers Company
Diamond Expansion Bolt Co., Inc.
A. B. Dick Company
W. J. Dickey & Sons, Inc.
Dickie-Raymond, Inc.
Dixie Cup Company
Dixie-Home Stores
Joseph Dixon Crucible Company
Dodge Cork Company, Inc.
Charles Wm. Doepke Mfg. Co.
R. R. Donnelley & Sons Co.
Downington Paper Company
Drake, Startzman, Sheahan & Barclay, Inc.
Draper Corporation
Drexel Institute of Technology
Wilbur B. Driver Company
Duke Power Company
Dun & Bradstreet
Dunlap & Associates
Duns Review & Modern Industry
Duplan Corporation
E. I. du Pont de Nemours & Co., Inc.
Duriron Company

E

Eagle-Picher Company
Eastern Tablet Corporation
Hugh E. Eby, Inc.
Economic Machinery Company
Economy Equipment Company
Ecusta Paper Corporation
Eddy-Rucker-Nichols Company
Edward Valves, Inc.
Electric Storage Battery Co.
Electro Manganese Corporation
Emery Industries, Inc.
Erving Paper Mills
Esso Standard Oil Company
Ethicon Suture Laboratories, Inc.
Eureka Specialty Printing Co.

F

Factory Management & Maintenance
Farrell-Cheek Steel Company
Fashion Frocks, Inc.
Federal Enameling & Stamping Co.
Federal Reserve Bank of Philadelphia
The Felters Company
Fidelity Electric Co., Inc.
Fieldcrest Mills
Joseph S. Finch & Company
Finest Foods, Inc.
First National Bank & Trust Co.
Ford Motor Company

Formica Company
Foster Wheeler Corporation
French Embassy
Industrial Div.
George Fry & Associates

G

Gardner Board & Carton Co.
General Aniline Film Corp.
Ansco Div.
Ozalid Div.
General Dynamics Corporation
General Electric Company
General Foods Corporation,
Franklin Baker Div.
General Motors Corporation,
Delco Products Div.
General Shoe Corporation
Gibbons Brewery
Gibson Art Company
Gifford-Wood Company
Gilbert & Barker Manufacturing Co.
Gisholt Machine Company
Glidden Company
Globe Industries, Inc.
Globe Wernicke Company
Gorham Manufacturing Co.
L. F. Grammes & Sons, Inc.
G. A. Gray Company
Gruen Watch Company
Gustin Bacon Manufacturing Co.

H

Hall & Liles
Haller, Raymond & Brown, Inc.
Hamilton Foundry & Machine Co.
Hamilton Manufacturing Company
Hardware Mutuals
Harris-Seybold Company
Hartford Steel Ball Company
Hassenfeld Brothers, Inc.
Hayward-Schuster Woolen Mills, Inc.
Heekin Can Company
Heinemann Electric Company
W. J. Heinz Company
Hellwig Dyeing Corporation
George W. Helme Company
Henderson, Lindsay & Michaels, Inc.
Hercules Powder Company
Herff Jones Company
Heritage Furniture, Inc.
Hershey Machine & Foundry
Hess & Eisenhardt Company
Hess, Goldsmith & Co., Inc.
Hickok Electrical Instrument Co.
Hill-Clark-Francis, Ltd.
Hilton-Davis Chemical Company
Hoener Corporation
Hoffman-La Roche, Inc.
Hollinger Consolidated Gold Mines, Ltd.
D. H. Holmes Co., Ltd.
F. X. Hooper Company, Inc.
E. F. Houghton & Company
Houston Fire & Casualty Ins. Co.
Harold F. Howard Company
J. L. Hudson Company
Huffman Manufacturing Company
James Hunter Machine Company
Hunter Packing Company
F. C. Huyck & Sons
Huylers, Inc.
Basca Mfg. Co. Div.
Hydraulic Equipment Company
Hyster Company

I

Imperial Tobacco Co. of Canada
Inland Steel Company
International Latex Corporation
Irvington Varnish & Insulator Co.

J

Jackson Mills
Andrew Jergens Co.
Johns-Manville Products Corp.
Johnson & Bassett, Inc.
Johnson & Johnson
E. D. Jones & Sons Co.
Joy Manufacturing Company
Mines Equipment Div.
Jung Products, Inc.

K

The E. Kahn's Sons Co.
Kaiser Frazer Engine Division
Kansas City Life Insurance Co.
Kearney & Trecker Corporation
Walker-Turner Div.
Keasbey & Mattison Company
Keller Tool Company
Kellogg Switchboard & Supply Co.
Kendall Mills
Keystone Brothers
Keyston Manufacturing Co.
King Seeley Corporation
Central Specialty Div.
Kirk and Blum Mfg. Co.
William Klopman & Sons, Inc.
Lester B. Knight & Associates
Knoxville Utilities Board
Koppers Company, Inc.
Jacques Kreisler Mfg. Corp.
Kroger Company

L

Lamson & Sessions Company
Lancaster Press, Inc.
Lansing Drop Forge Company
Lavoie Laboratories
David M. Lea & Company, Inc.
Lebanon Steel Foundry
R. K. LeBlond Machine Tool Co.
Leetham, Simpson, Ltd.
Lehigh Structural Steel Company
Levinson Steel Company
Lewis-Shepard Company
Lexington Electric Products Co., Inc.
Karl Lieberknecht, Inc.
Link-Belt Company
Lockwood Manufacturing Co.
Lodge & Shipley Machine Tool Co.
Louden Machinery Company
Lowe Paper Company
Lukens Steel Company
Lunkenheimer Company
Lynchburg Foundry Company

M

MacDonald Bros., Inc.
Mackintosh-Hemphill Company
Magnaflux Corporation
R. C. Mahon Company
Maiden Form Brassiere Co., Inc.
Management Services, Inc.
B. Manischewitz Company
Mann Edge Tool Company
John A. Manning Paper Company, Inc.
Marathon Corporation
Maremont Automotive Products, Inc.
Markem Machine Company
Massachusetts General Hospital
Master Vibrator Company
Jas. H. Matthews & Company
M-B Corporation
McClure, Hadden and Ortman, Inc.
McCormick & Company, Inc.
McDonnell Aircraft Corporation
Medart Company
Mercantile National Bank of Hammond
William S. Merrell Company
Metal Textile Corporation
Met-L-Wood Corporation
Miami Margarine Company
Midwest Research Institute
Miller Manufacturing Company, Inc.
Miller Motor Company
Miller and Rhoads, Inc.
Milsan Mills, Inc.
Minnesota Mining & Manufacturing Company
Mitchell & Smith, Inc.
Mock Judson Voehringer Co., Inc.
Mohawk Carpet Mills, Inc.
Moland-Drysdale Company
Monsanto Chemical Company
Rod Moon and Associates
Morris Machine Tool Company
Morrison Steel Company
Mundet Cork Corporation
Sol Mutterperl Company,
Fairhaven Corp. Div.

N

Naperville Prince Castles Co.
Narrow Fabric Company
Nashville Gas Company
National Automotive Fibres, Inc.
National Carbon Company
National Container Corporation
National Lead Company,
Titanium Div.
National Malleable & Steel Castings Co.
National Marking Machine Company
National Plastics Products Co.
National Publishing Company
National Screw & Manufacturing Co.
Nestle Company, Inc.
New England High Carbon Wire Co.
New Hampshire Ball Bearings, Inc.
New Jersey Zinc Company
New Jersey Zinc Co. of Pennsylvania
New Orleans Public Service, Inc.
Nordberg Manufacturing Co.
Norman Products Company
North Carolina Finishing Company
North Texas State College

O

Oerlikon Tool & Arms Corp. of America
Okonite Callendar Cable Company
Old Dominion Box Company, Inc.
Olin Industries, Inc.
Oliver Iron & Steel Corporation
O. P. W. Corporation
Oregonia Bridge Co., Inc.
Orr & Sembower, Inc.
Osborn Manufacturing Company
Owens-Corning Fiberglas Corporation

P

Palm Beach Company
Pan-Am Southern Corporation
Patent Button Company
Personal Products Corporation
Persons-Majestic Mfg. Co.
Peterson & Neville, Inc.
Petrolane Gas Co., Inc.
Piedmont Shirt Company
Pitman-Moore Company
Pittsburgh Plate Glass Company
Pomona Terra Cotta Co.
Porter Cable Machine Company
Pratt, Read & Company, Inc.
Precision Rubber Products Corp.
Premier Tool Work, Inc.
Presto Lock Company
Price Battery Corporation
Price Brothers Company
Princess Elkhorn Coal Co.
Procter & Gamble Company
Proctor Electric Company
Proctor & Schwartz, Inc.
Production Instrument Company
Producto Machine Company
Public Service Company of New Hampshire
Pullman Standard Car Mfg. Co.

R

Raadgevend Bureau Ir. B. W. Berenschot
Albert Ramond & Associates, Inc.
Rand McNally & Company,
W. B. Conkey Co. Div.

Randall Company
Randolph Mills, Inc.
Raybestos-Manhattan, Inc.
Ray-O-Vac Company
Reading Batteries, Inc.
Reading Crane & Hoist Corp.
Reading Tube Corporation
Reed and Barton Corporation
Reed & Prince Manufacturing Co.
Reed Rolled Thread Die Company
Reeves Instrument Company
Remington Rand, Inc.
Reynolds Metals Company
Rheem Manufacturing Company
Rhode Island Textile Company
Rice Barton Corporation
Richardson Company
Richardson Engineering Co.
Richardson Taylor Globe Corp.
Richmond Engineering Company, Inc.
Robertshaw-Fulton Controls Company
Robertson Paper Box Co., Inc.
A. H. Robins Company, Inc.
Rochester Manufacturing Co., Inc.
Rochester & Pittsburgh Coal Co.
Rock Hill Printing & Finishing Co.
Rockwell Manufacturing Co.,
Pittsburgh Du Bois Div.
Rogers Corporation
Rohm and Haas Company
Rouse & Silkey, Ltd.
Roxbury Carpet Company

S

Sacks Barlow Foundries, Inc.
St. Regis Paper Company
Sample-Durick Co., Inc.
H. J. Scheirich Company
Schulze and Burch Biscuit Co.
Schwitzer-Cummins Co.
Joseph E. Seagram & Sons, Inc.
Sears-Roebuck & Co.
Security Steel Equipment Corp.
Sensenich Corporation
Sessions Clock Company
Sharp & Dohme, Inc.
Shartle Brothers Machine Co.
Shawinigan Resins Corporation
Sheffield Corporation
Sheltered Workshop for the Disabled, Inc.
John Shillito Company
Simmons Company
Simplex Wire & Cable Co.
Singer Manufacturing Co.
Singer Sewing Machine Company
Smith, Kline & French Laboratories
Carroll Dunham Smith Pharmacal Co.
Harry W. Smith, Inc.
Socony Paint Products Company
Socony Vacuum Oil Company, Inc.
Sohio Petroleum Company
Sonken-Galamba Corporation
Sordoni Construction Co.
S. O. S. Company
Southern Line Material Company
Southern Weaving Company
Sprague Electric Company
Spring Garden Institute
E. R. Squibb & Sons
Standard Forcings Corporation
Standard Oil Company (Indiana)
Standard Oil Company (New Jersey)
Standard Packaging Corporation
Standard Pressed Steel Company
Standard Register Company
Standard Steel Spring Company
Star Brush Mfg. Co., Inc.
Stearns & Foster Company
Steel Company of Canada, Ltd.
Stehli & Company, Inc.
John B. Stetson Company
M. T. Stevens & Sons Co.
Stevenson Jordan & Harrison, Inc.
Stillwater Clay Products Co.
Stillwater Orchards Company
Stix, Bear & Fuller
Stockton, West, Burkhart, Inc.
Stolper Steel Products Company
Stonecutter Mills Corporation
Strong-Narovec & Company
Stryker Machine Products Corporation
Sun Tube Corporation
Sunnen Products Company
Sunrise Dairies
Sylvania Electric Products, Inc.

T

Charles Taylor Sons Co.
S. G. Taylor Chain Company
Taylor-Wharton Iron & Steel Co.
Tennessee Coal, Iron & Railroad Co.
Terrell Machine Co.
Texize Chemical, Inc.
Textile Machine Works
Textile World
Thalhimer Bros., Inc.
Thew Shovel Company
Tigerton Lumber Company
Albert Trostel & Sons Co.
Trundle Engineering Co.
Tulane University

U

Uhling, Lauer and Associates
Underwood Corporation
Union Bag and Paper Corp.
Union Carbide and Carbon Corp.,
Bakelite Div.
United Air Lines, Inc.
United Merchants & Mfrs., Inc.
United Mills, Inc.
United Parcel Service of America, Inc.
U. S. Marine Corps
Depot of Supplies
United States Metals Refining Co.
U. S. Playing Card Co.
U. S. Rubber Company
U. S. States Steel Corporation
U. S. Steel Corporation
University of Bridgeport
University of Cincinnati,
College of Business Administration
University of Miami
University of Michigan,
Survey Research Center
University of New Hampshire
University of North Carolina
School of Business Administration
Univis Lens Company

V

Vanity Fair Mills
Victor Mfg. & Gasket Company
Virginia Electric & Power Company
Visking Corporation
Vulcanized Rubber & Plastics Company

W

Wachovia Bank & Trust Company
Wassell Organization, Inc.
Waterbury Manufacturing Co.
Wennonah Cotton Mills Co.
Western Auto Supply Company
David Whiting & Sons, Inc.
Wilkes College
Williams-Brownell, Inc.
Willson Products, Inc.
Winthrop-Stearns, Inc.
Woodall Industries, Inc.
Woodbury & Company, Inc.
Woodside Mills
Work-Factor Company
Allen B. Wrisley Company
Wyomissing Glazed Paper Company

Y

Youngstown Sheet & Tube Company

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- Select trainable applicants at Personnel
- Strengthen union's confidence in time study
- Reduce, expedite grievances
- Increase rating skill and consistency
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- Derive predetermined times
- Set new standards, audit old ones
- Explain philosophy of time study technique
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